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HORIZONTAL/VERTICAL STOCK FUND
Cost Comparison.

⑪ Aug 7+ / ⑫ 112p.

⑬ USALHA-Z40645



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AUGUST 1974

ABSTRACT

HORIZONTAL VS VERTICAL STOCK FUND COST COMPARISON
USALEA PROJECT 240605

In November 1973, ODCSLOG-DA indicated that an abbreviated economic analysis needed to be conducted to determine comparative costs of an ODCSLOG-DA hypothesized vertical stock fund and supply management concept with the present horizontal stock fund and supply management system. This study examines the FY74 CONUS resources and costs at the wholesale and installation level for the current horizontal stock fund and supply management system and a hypothesized vertical stock fund and supply management system. It identifies resources and costs by broad management function for each system's application in USAMC, USATRADO and USAFORSCOM.

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ACKNOWLEDGEMENTS

Sincere appreciation is expressed to the many personnel of the Department of Army Staff, US Army Materiel Command and their subordinate commands, US Army Forces Command and US Army Training and Doctrine Command and their subordinate installations who provided information about Army Stock Fund and Supply Management operations, their wholesale and retail applications and costs.

The US Army Logistics Evaluation Agency study team was composed of Mr. Henry F. Pastuck, Chief; LTC Robert H. Lucas, Logistics Analyst; and Mr. John R. Walters, Operations Research Analyst.

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EXECUTIVE SUMMARY

1. **GENERAL.** This Executive Summary explains the purpose and objective of the Horizontal versus Vertical Stock Fund Cost Comparison Study; describes the scope and methodology used in conducting the study; provides USAMC, USATRADOC and USAFORS COM personnel resource and cost data for horizontal versus vertical stock fund financial, supply management and ADP support operations under the hypothesized vertical concept; and provides a summary of other cost areas which impact on US Army resources.

2. **PURPOSE.** To determine the personnel resources and associated costs of employing a vertical stock fund and supply management system versus continuation of the present command channel or horizontal stock fund and supply management system.

3. **OBJECTIVE.** To describe by function and management echelon, the current horizontal and a hypothesized vertical stock fund and supply management system and identify the resources and costs associated with each system.

4. SCOPE AND METHODOLOGY.

a. Scope.

(1) This study addresses the CONUS application of the current horizontal stock fund and supply management system and a hypothesized vertical stock fund and supply management system.

(2) Within CONUS, the study addresses the financial, supply management, and ADP support resources and costs of each system's application in USAMC, USATRADOC and USAFORS COM. The study does not include personnel resources and costs for DSA, GSA and the other military services; AMC resources and costs for service-wide integrated item management; sunk costs for the current stock fund and supply management system, design and development costs for a vertical system; resource and cost data for the Defense Supply Services Division of the Pentagon Stock Fund and the AMC Installations Division of the Army Stock Fund, USASTRATCOM, USAHSC and USASA.

b. Methodology. An Ad Hoc study group was formed within USALEA to conduct the cost comparison. After researching and reviewing background data, visits were made to several major Army commands, the DOD and DA staff, DSA and the US Air Force to obtain information for development of a vertical stock fund/supply management concept. Several varied applications of a vertical system were discussed and reviewed by the DCSLOG staff. The application selected as the hypothesized system for the cost comparison was preferred, since it appeared to provide the maximum cost effectiveness that could be derived from vertical management of financial and supply operations. (See Appendix C.)

5. RESOURCE AND COST ESTIMATION DISCUSSION.

a. General. The resource determination and cost estimation for the current horizontal stock fund and supply management system and the vertical stock fund and supply management system was performed in three phases: vertical concept formulation and verification, data collection, and data review, analysis and validation. Resource and cost data were collected from US Army Materiel Command (USAMC) Headquarters, the USAMC Automated Logistics Management Systems Agency (USAMCALMSA), the six AMC commodity commands, USATRADOC/FORS COM Headquarters and the forty TRADOC/FORS COM CONUS installations. The USALEA team

personally visited USAMC Headquarters, USAMCALMSA, the six AMC commodity commands, and Headquarters TRADOC and FORSCOM to validate all resource and cost data associated with horizontal and vertical stock fund financial management, supply management and ADP support operations.

b. Horizontal versus Vertical Stock Fund Financial Management.

(1) Wholesale Level (AMC). At the wholesale level, Comptroller responsibilities and functions in administering and managing a Sub-Home Office of the AMC division of the Army Stock Fund increased in scope and magnitude under the vertical concept. Comptroller personnel resource requirements increased by a total of 16 at the commodity commands to perform stock fund management and control, financial inventory accounting and stock fund billing for sale of vertical owned materiel to the CONUS installations.

(2) Retail (Installation) Level. With the elimination of retail stock funds at the CONUS installations, the Installation Director of Industrial Operations and the Comptroller are primarily involved in management and control of consumer funds for purchase of materiel in support of supply requirements. There is a continuing requirement to provide stock fund budget data to each of the 24 possible wholesale supply sources in AMC, DSA, GSA and the other military services concerning total installation and command requirements. This includes the using units, Installation Supply Division account and other installation operated activities: Self-Service Supply Store, Clothing Initial Issue Point, Clothing Sales Store and Central Issue Facility. Supply programming for materiel must be translated from the installation consumer fund budget by Materiel Category and source of supply for wholesale budget formulation. Both line item and dollar inventory accounting must be performed for collocated and commingled stocks of wholesale owned (vertical funded) and managed items and installation owned (consumer funded) and managed items. The accounting, reporting, reconciliation, and reimbursement functions for a vertical stock fund also increase in scope and magnitude. These functions must be performed with each of the wholesale supply sources for each separate consumer fund account (using units/activities, Reserves, National Guard, local governments, Red Cross) for each separate end-use appropriation (OMA, OMAR, MAP, AIF, and MPA). Total CONUS installation personnel requirements in the Comptroller and DIO were estimated to increase by 75, to perform financial management operations under the vertical stock fund concept.

c. Horizontal versus Vertical Supply Management.

(1) Wholesale Level (AMC).

(a) Under the hypothesized vertical stock fund and supply management concept, retail level stock fund item commodity management responsibilities are shifted from the intermediate, to the wholesale level of supply management. At each of the AMC commodity commands, the Directorate of Materiel Management assumes the additional supply management responsibility for positioning, balancing and distributing vertical stock funded items to CONUS installations. This includes items in pre-positioned war reserve, project and mobilization reserve accounts; and operating/safety level stocks. Within the Army, AMC becomes an intermediate level logistic system operator in TRADOC and FORSCOM.

(b) At each AMC commodity command, the commodity management functions of procurement direction, distribution management, disposal, rebuild and repair direction, requirements computation, requisition processing, stock control, and supply management operations support increase in scope and

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magnitude to perform vertical supply management of stock funded items. As a result of the increase in AMC supply management responsibilities and functional work, an additional 612 man-years were forecast by AMC to operate the vertical supply management system in CONUS.

(2) Intermediate (Installation) Level (TRADOC/FORSCOM). At the installation level, intermediate supply management responsibilities were reduced in scope. The shift in stock fund item commodity management to the wholesale level decreased composite TRADOC/FORSCOM supply management personnel resource requirements by 190 man-years. Supply management personnel are still required at the CONUS installations to perform intermediate level management of consumer funded GSA, local procured, fringe (non-stocked), Procurement funded secondary and Direct Support type items.

d. ADP Support, Horizontal versus Vertical System Operation.

(1) Wholesale Level (AMC).

(a) ADP personnel resource requirements and their associated costs for both horizontal and vertical systems operation were developed by AMCALMSA. The AVSCOM ALPHA prototype standard configuration management information system was used to develop baseline data for horizontal financial and supply management operations and financial and supply management ADP support operations under the hypothesized vertical concept. Data were then applied proportionately to the other five AMC commodity commands to determine personnel resources and their associated costs for ADP support. These procedures were utilized to insure data standardization during the current ALPHA extension and proliferation. Consideration was given to ALPHA systems equipment capabilities and non-ALPHA bridging and stand-alone systems which are unique at each commodity command.

(b) To support the overall increase in AMC functional responsibilities for financial and supply management operations, a total of 31 personnel were forecast.

(2) Intermediate (Installation) Level. At the installation level, financial, supply and personnel management operations are supported by the installation Management Information Systems Office (MISO). BASOPS/SAILES, STANFINS and SIDPERS are the standard management information systems. The vertical concept reduces intermediate level functional responsibilities and personnel requirements for supply management, while increases are forecast in financial management operations. No increases or decreases were forecast to installation MISO personnel resources and their associated costs for ADP support to supply and financial management operations under the vertical concept. ADP personnel support will continue to be required at current levels for operation and maintenance of intermediate level financial and supply management information systems and local command unique programs.

e. Total Man-Years and Personnel Costs, Horizontal versus Vertical Stock Fund and Supply Management. Total man-years and personnel costs for annual operation of the horizontal stock fund and supply management system and the hypothesized vertical stock fund and supply management system are displayed in the charts below. The man-years and personnel costs represent composite data for AMC, TRADOC and FORSCOM in the functional areas of stock fund financial management, supply management, and ADP support to both supply and financial management operations. A net requirement exists for 544 additional personnel at an annual cost of \$8.9 million to operate the vertical stock fund and supply management system in CONUS.

AMC/TRADOC/FORSCOM HORIZONTAL VS VERTICAL SYSTEM MAN-YEARS

FY74

LEVEL	FUNCTION	HORIZONTAL (MAN-YEARS)	VERTICAL (MAN-YEARS)	DIFFERENCE (MAN-YEARS)
Wholesale AMC	Financial Mgt	224	240	+ 16
	Supply Mgt	2,942	3,554	+612
	ADP Support	383	414	+ 31
	TOTAL	3,549	4,208	+659
Retail TRADOC/ FORSCOM	Financial Mgt	327	402	+ 75
	Supply Mgt	1,270	1,080	-190
	ADP Support	89	89	0
	TOTAL	1,686	1,571	-115
	COMBINED TOTAL	5,235	5,779	+544

AMC/TRADOC/FORSCOM HORIZONTAL VS VERTICAL SYSTEM PERSONNEL COSTS

FY74

LEVEL	FUNCTION	HORIZONTAL (THOUSAND \$)	VERTICAL (THOUSAND \$)	DIFFERENCE (THOUSAND \$)
Wholesale AMC	Financial Mgt	2,685.3	2,875.7	+ 190.4
	Supply Mgt	45,063.8	54,437.9	+9,374.1
	ADP Support	4,199.7	4,539.5	+ 339.8
	TOTAL	51,948.8	61,853.1	+9,904.3
Retail TRADOC/ FORSCOM	Financial Mgt	3,710.7	4,498.9	+ 788.2
	Supply Mgt	11,624.9	9,874.0	-1,750.9
	ADP Support	941.8	941.8	0
	TOTAL	16,277.4	15,314.7	- 962.7
	COMBINED TOTAL	68,226.2	77,167.8	+8,941.6

6. OTHER COSTS AND FUNCTIONAL IMPACTS. The \$8.9 million in additional costs for operation of a CONUS vertical stock fund and supply management system represents only annual personnel operating costs. Other cost areas which will impact substantially on Army, other services and agencies resources are:

a. System Software Design. At both the wholesale and retail or base management levels, standard interfacing supply and financial systems will be required for operation of a DOD vertical stock fund and supply management system. This would include the Army, DSA and other military services. Current approved configuration management at the AMC wholesale level is predicated on the ALPHA system for supply and financial applications at the commodity commands and SPEEDEX for the AMC depot system. At the intermediate or CONUS installation level, SAILS is the DA adopted standard for supply and supply related financial management processes; while STANFINS is the standard system for financial management. Long lead times and substantial system development costs may be incurred for modifications to these and the other military services and agencies supply and financial management systems for integrated operation within a DOD vertical management environment.

b. System Hardware Configuration and Telecommunication Requirements. Concurrent with the design development and extension of DOD standard systems at the wholesale and intermediate or base management levels, the requirement may also exist for additional computer capacity, advanced peripheral equipment and telecommunication systems. At both the AMC wholesale level and TRADOC/FORSCOM installation level, ADP equipment is configured, purchased or leased for specified time spans. System design technology and computer capability and/or capacity may dictate changes in equipment configuration within all the services. Advanced and dedicated telecommunications systems may also be required. Costs for these required changes may be considerable.

c. Operations and Maintenance Army (OMA) Appropriations. Conversion to a vertical stock fund and supply management system within the parameters of the hypothesized vertical concept will also require additional OMA appropriations. The supply management and fiscal accounting procedures for system conversion and operation would be developed jointly by DOD, the military services and agencies and approved by Congress. Inventories and materiel on-order from the Army retail stock funds will be de-capitalized and capitalized into the vertical wholesale accounts of AMC, DSA and the other military services and the consumer fund accounts of the bases and installations. Vertical stock fund and supply management system operation will require additional OMA funds to:

- ° Finance the pipeline.
- ° Finance the installation inventory of GSA and Direct Support type items.
- ° Finance installation inventories of other than GSA items decentralized by the wholesale supply source for local procurement.

MAIN REPORT

1. PURPOSE. The purpose of the study is to determine the costs of employing a vertical stock fund and supply management system versus continuation of the present command channel or horizontal stock fund and supply management system.

2. BACKGROUND.

a. The DOD Logistics System Plan (LOGPLAN) Profile was published in June 1971. Since then, the service components have been reviewing, commenting and negotiating on the recommendations of that report in order to produce a viable long-range LOGPLAN. Two of the more controversial objectives of the "Profile" deal with the application of vertical supply management concepts and employment of vertical stock funds by the DOD components.

b. The Army has accepted the principle of vertical supply management to the extent that the wholesale inventory manager has asset knowledge and control of selected items of material from acquisition to user issue. Functional guidance to attain vertical supply management has been developed for use by the Army Materiel Command and other system developers for incorporation into Army regulations and systems. The concept of a vertical stock fund provides for retention of material within a single stock fund division from initial acquisition by any DOD component/agency until issue/sale to end use. This concept has been opposed by the Army because of the implication that stocks in CONUS installations and overseas depots would be owned and controlled by the wholesale manager. This would be at variance with one of the Army's basic management principles, namely, decentralized command, control and resource management.

c. The Logistics Management Institute (LMI) was contracted by the Army to conduct an examination of the Army Stock Fund (ASF) structure and processes to determine whether the Army should institute a "one buy - one sell" method for financing inventory and, if so, why and how. In June 1973, LMI reported that workload reductions could be achieved through the extension of wholesale stock funds to the theater depot and CONUS installation level while at the same time retaining control of stocks by the theater and installation commander. Although the report's findings were compatible with the Army's philosophy of management, it did not adequately determine the real cost effectiveness of each alternative.

d. The Logistics System Policy Committee (LSPC) met on 27 October 1973 and again considered the proposal that the DOD components employ vertical stock funds. The proposal was given added impetus by a recent General Accounting Office (GAO) recommendation that the DOD components use vertical stock funds. The Army representative restated the Army's objections to the proposal. It was emphasized at the meeting that all aspects of the concept had not been addressed, especially from the point of the commander, nor had any cost effectiveness analysis been performed to determine the proposal's relative merits.

e. As a result of the preceding events, the DCSLOG on 7 November 1973 decided that a comparative analysis needed to be conducted to determine costs of the current horizontal (command channel) stock fund and a vertical stock fund. On 16 November 1973, USALEA was tasked to conduct the analysis. See Appendix A.

3. OBJECTIVE. To describe, by function and management echelon, the current horizontal and a conceptual vertical stock fund/supply management system and identify the resources/costs associated with each system.

4. SCOPE.

a. This study addresses the CONUS application of the current horizontal stock fund and supply management system and a conceptual vertical stock fund and supply management system. If required, a Phase II will address USARAL, USASOCOM, USAREUR and USARPAC applications.

b. Within CONUS the study addresses the supply, financial management, and ADP support costs of each alternative's application in AMC, TRADOC and FORSCOM.

c. The study does not include:

(1) DSA, GSA and the other military services' wholesale supply, financial management, and ADP support costs.

(2) AMC's supply and financial costs for the integrated management of items within the other services.

(3) Design and development costs for the hypothesized vertical stock fund and supply management system.

(4) Redesign and development costs to current systems, such as ALPHA and SAILS.

(5) Equipment configuration costs for additional computer capacity, peripheral equipment and telecommunication systems.

(6) Sunk costs for the current horizontal stock fund and supply management system.

(7) Cost data for the AMC Installation Division of the Army Stock Fund, which includes the retail stock funds of the AMC depots and Class II activities, USASTRATCOM, USAHSC, and USASA.

(8) Cost data for the Defense Supply Services Division of the Army Stock Fund.

5. METHODOLOGY.

a. An Ad Hoc study group was formed within USALEA to conduct the cost comparison. Assistance, as required, was provided by the DA DCSLOG staff.

b. The first task of the study group was to formulate a vertical stock fund/supply management concept for use as the proposed system. To obtain the necessary background data, an extensive library research was conducted with follow-on visits to several major Army commands, the DA and DOD staff, DSA and the Air Force. References used by the study group are listed at Appendix B.

c. Several alternative applications of a vertical stock fund and supply management system were surfaced by the study group. The application developed and selected by the DCSLOG staff for the comparative analysis was preferred because it appeared to provide the maximum potential savings which could be derived from employing a vertical stock fund and supply management system. See Appendix C for the conceptual vertical stock fund and supply management system.

d. The next major effort centered around identifying the cost data elements and their level of application. Data collection forms were developed to record cost data associated with both the current horizontal and conceptual vertical system. The cost comparison essential elements of analysis are listed at Appendix D.

e. Coordination conferences were held with HQ USAMC, the USAMC Commodity Commands, HQ USATRADOC and HQ USAFORSCOM to verify the proposed vertical system, identify specific supply and financial management functions impacted, and provide a common understanding of the data collection requirements.

f. Resource and cost data were collected from HQ USAMC, the six USAMC Commodity Commands and all USATRADOC/USAFORSCOM installations. HQ USAMC, HQ USATRADOC, HQ USAFORSCOM, the AMC Commodity Commands, Ft. Benning, Ft. Knox, Ft. Bragg, Ft. Eustis and Ft. Campbell were visited by representatives of DA DCSLOG and USALEA to review financial and supply operations and cost data estimates. Interviews were conducted at each of the above activities to obtain personal viewpoints of the functional managers.

g. Activities visited and personnel contacted by the study group are listed at Appendix E.

6. ASSUMPTIONS.

a. Supply and financial management procedures are uniform among the DOD components and DSA.

b. Compatible computer systems exist among the DOD components and DSA.

c. Adequate resources are available for system design, development and implementation.

d. The Military Services and DSA employ vertical supply management/stock fund systems.

e. GSA does not employ a vertical stock fund/supply management system.

f. Adequate transportation and communication resources exist to operate the system.

7. SYSTEM DESCRIPTIONS.

a. Baseline System - The Army Stock Fund and Supply Management System.

(1) General. The Army Stock Fund is a single fund with separate divisions and is organized in a horizontal or command channel manner. The purpose of the stock fund is to provide a means of financing the procurement and sale (issue) of common use demand type expense items. There are two major segments of the Army Stock Fund, the wholesale division of the USAMC and the command retail divisions of the major Army Commands: USAMC, USAFORSCOM, USATRADOC, USAREUR, USARAL, USASOCOM, and USARPAC. The USAMC wholesale division has accounts at each of the National Inventory Control Points. The Command retail divisions have accounts at CONUS posts, camps and stations, overseas materiel management activities and AMC installations. The Defense Supply Agency (DSA), General Services Administration (GSA) and the other military services operate similar type stock funds. Army required items from these funds are purchased by AMC (wholesale and retail stock funds) and the command retail stock funds in CONUS and overseas. Figure 1 depicts the basic management structure of the current Army Stock Fund.

HORIZONTAL STOCK FUND MANAGEMENT STRUCTURE

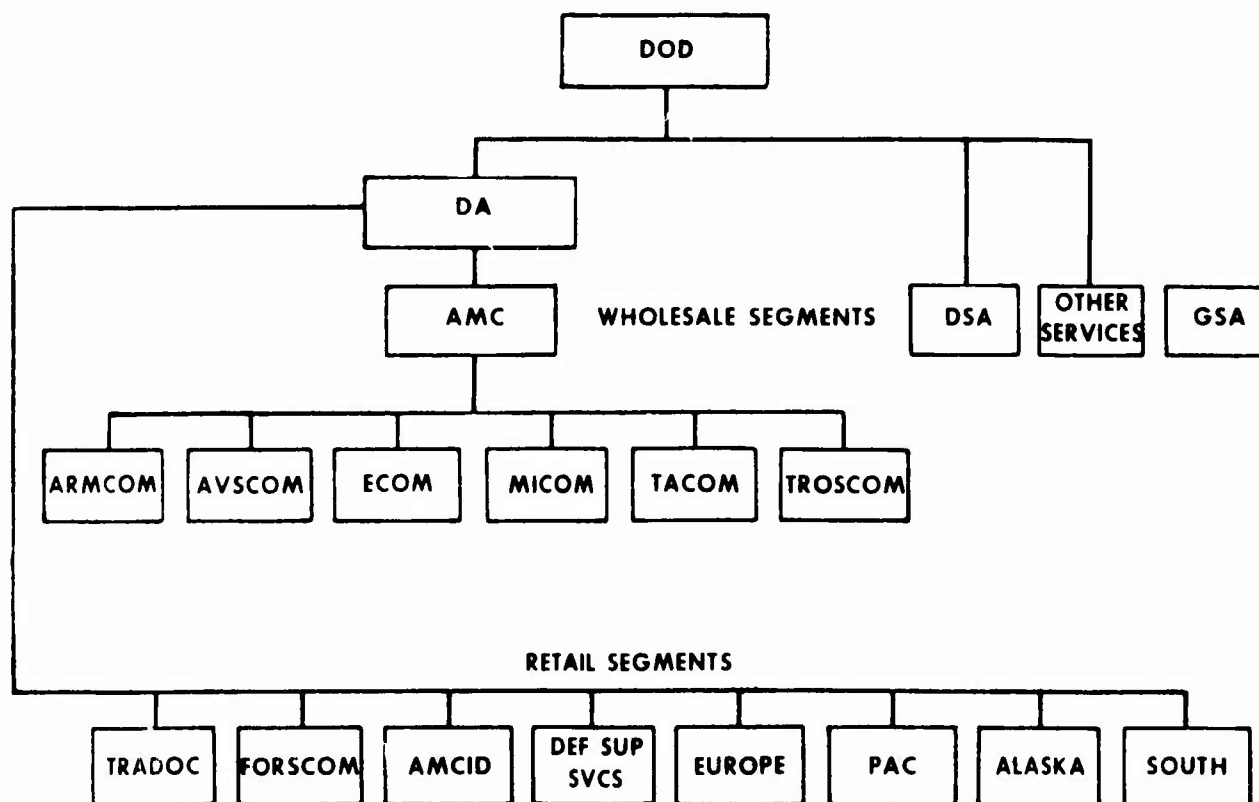


Figure 1. Horizontal Stock Fund Management Structure

(2) Funding and Budgeting.

(a) Wholesale. Funds for operation of the wholesale division of the Army Stock Fund are budgeted by AMC, approved by Department of Army, the Office of Assistant Secretary of Defense Comptroller and the Office of Management and Budget. AMC wholesale budgets are based upon total DOD forecasted requirements and proposed expenditures by the major command retail funds. Funds are apportioned as obligational authority to the AMC commodity commands for procurement of items under their management. Within the commodity commands, the wholesale stock fund management and budgeting function is performed by the Directorate of Materiel Management in coordination with the Comptroller.

(b) Retail. The retail stock fund management structure of TRADOC, FORSCOM and the overseas activities closely parallels the command structure. Funds for operation of the retail divisions are budgeted by the major Army commands and approved by Department of Army, Office of Assistant Secretary of Defense Comptroller and Office of Management and Budget. Obligation authority is provided each major command to purchase material from wholesale stock funds and to perform local procurement in support of assigned forces. Within TRADOC and FORSCOM, stock fund budgets are closely aligned with command mission and force requirements, and the consumer fund budget. The TRADOC and FORSCOM DCSLOG staffs perform command retail stock fund management, budgeting and reporting. At TRADOC and FORSCOM installation level, these functions are performed by Director of Industrial Operations Installation Supply Division personnel in coordination with the Comptroller.

(3) Supply Management.

(a) The Army Supply Management System also parallels the Army command structure. Each TRADOC/FORSCOM installation provides supply support to the CONUS active Army, reserve, and national guard units. AMC furnishes wholesale logistic support, through its six Commodity Commands, to the overseas/CONUS installations; however, it has no logistical command responsibilities within the Army's major commands.

(b) At the wholesale level, Army item managers purchase from industry and other national managers to satisfy worldwide material and equipment requirements. Funds for these purchases are obligated from the AMC Wholesale Division of the Army Stock Fund. Inventories are held until sold to a retail stock fund, another service or disposed of as excess. AMC commodity command supply management functions such as procurement, distribution, rebuild, disposal, cataloging and requirements computation are performed by personnel in the Directorate of Materiel Management. Similarly, DSA, GSA and the other military services procure, store and sell (issue) material to Army command retail stock funds and AMC's depot maintenance activities.

(c) Intermediate level supply support is provided to designated customers by the Installation Supply Division (ISD) at TRADOC/FORSCOM installations. Functions performed by the ISD include commodity management, stock control, requirements determination, requisitioning, property disposal, customer assistance, storage, issue, inventory and Direct Support for all customers not supported by a divisional or non-divisional DSU. Included in the installation supply operations are the Self-Service Supply Center, Clothing Sales Store, Central Issue Facility, and Clothing Initial Issue Point. Stockage at the intermediate level is based on authorized demands which equate to customer requirements. Under the approved Direct Support System (DSS) concept in CONUS, DSU's requisition directly upon the wholesale system for

designated items, while non-DSU customers are supported by the Installation Supply Division who functions as a DSU in this case. The DSS concept provides for reduced stockage at the intermediate level for designated items. Requisitioning in CONUS is from the User or Direct Support Unit to the Installation Supply Division (ISD). For materiel in stock, the requested items are issued, the computer records a charge to the end-use appropriation and adjustments are made to inventory levels. Materiel which is not in stock to support customer requirements is either back-ordered and the customer's requirement is filled at a later date; or if the item is DSS, fringe and/or the requisition is of high priority, the requirement is passed to the wholesale level. Requisitions which flow to wholesale are funded by the command retail stock funds of the CONUS installations. Retail stock funds also finance local procurement.

(4) Billing and Reimbursement.

(a) The AMC wholesale level bills the command retail stock funds or the other services after a Material Release Order has been transmitted to the wholesale storage location. The billing function and reconciliation of reimbursements is performed by the Finance and Accounting Office within the Office of the Comptroller.

(b) At the installation level there is a reimbursement to the wholesale stock funds with command retail stock funds. In addition, there is an accounting and reconciliation of paid bills with material receipts from the Installation Supply Division. Formal 1080 billing is also performed from the installation retail stock fund by the Installation Finance and Accounting to supported customers. Reimbursement is made with consumer funds or other end-use appropriations. Figure 2 depicts current horizontal supply and financial management operations in CONUS.

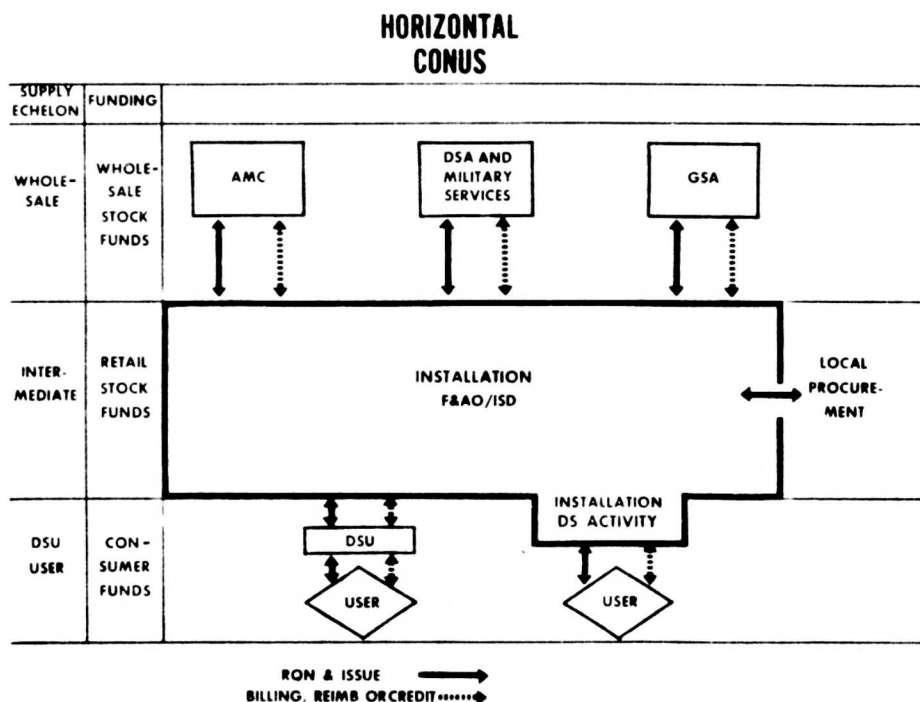


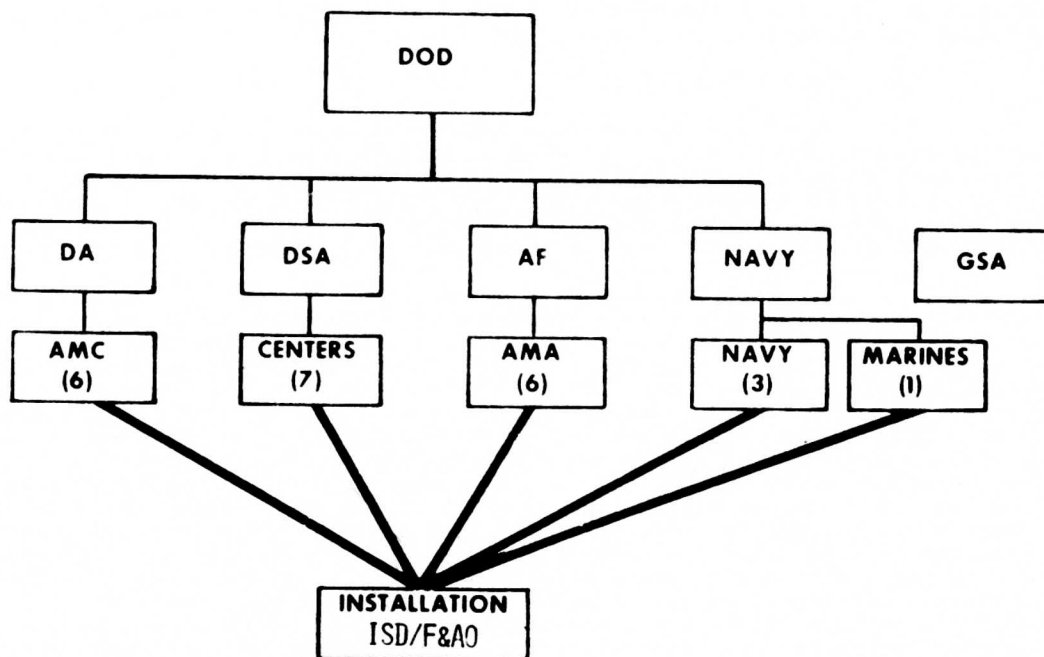
Figure 2. Horizontal Supply and Financial Management Operations in CONUS

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b. Conceptual System - The Vertical Stock Fund and Supply Management System.

(1) General. Under the conceptual system, the Army Stock Fund is organized in a vertical configuration. The wholesale (vertical) accounts of USAMC, DSA and the other military services are extended to overseas depot and CONUS installation level. USAMC wholesale depots and maintenance facilities are also vertically stock funded. The composite DOD Stock Fund consists of the wholesale funds of DSA, the Army (AMC) and the other military services. GSA will continue to provide support to the military services in its present management configuration. Figure 3 depicts the basic management structure of a vertical stock fund.

VERTICAL STOCK FUND MANAGEMENT STRUCTURE



NOTE: Numbers in parenthesis represent separate wholesale supply sources.

Figure 3. Vertical Stock Fund Management Structure

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(2) Funding and Budgeting.

(a) Wholesale. Inventories formerly funded by command retail stock funds are decapitalized and financed by the wholesale (vertical) accounts of AMC, DSA and the other military services. Funds for the AMC wholesale stock funds are budgeted by USAMC, approved by Department of Army, OSD and OMB. Budgeting and requirements determination information such as mission and force structure changes, flying hour program changes and the consumer fund demand forecast are provided to the wholesale stock fund managers by the Department of Army and the major commands. The wholesale Inventory Control Points (ICPs) have item and dollar accountability, and visibility for the full range of their assigned and managed items located at overseas depots/storage locations and CONUS installations. Within the AMC commodity commands the wholesale or vertical stock fund management and budgeting function is performed within the Directorate of Materiel Management in coordination with the Comptroller.

(b) Retail. At the intermediate level, all retail stock funding is eliminated. GSA, local procurement and installation level DSU type stocks will be consumer funded. Obligation authority to purchase from the wholesale supply system and perform local procurement is provided by Department of Army based on annual command budget submissions. Stockage at the DSU and unit level will continue to be financed with consumer funds. Consumer funds will also finance the pipeline (order-ship-time). At each TRADOC/FORSCOM installation, the ISD and Comptroller will perform management, budgeting and reporting of consumer funds to finance intermediate level stockage of GSA, fringe, local procurement and installation DS type items.

(3) Supply Management.

(a) Under the vertical supply management concept, functions formerly performed at the major Army command intermediate supply level are shifted to the wholesale managers of AMC, DSA and the other military services. Each DOD wholesale supply manager will become an operator in the logistic systems of the other service for their assigned items. Within the Army, AMC becomes an operator in each of the major overseas commands, USATRADOC and USAFORSCOM.

(b) Wholesale managers of AMC, DSA and the other military services assume the additional supply management responsibility of positioning, balancing and distributing stock funded items into each geographical area/theater to assure adequate prepositioned War Reserve (WR), Project Stocks (PS) and operating/safety levels. AMC, DSA and the other military services will perform all supply management for vertical funded stocks located at the intermediate level. This includes functions such as requirements computation (requisition objective calculation), stock accounting, rebuild and disposal direction. Theater and CONUS commanders participate in determining the WR and/or PS levels. To assist in readiness posture determinations, the stock status of WR and PS is provided by the ICPs to CONUS and overseas commanders. The overseas depots are tenant activities under the command of USAMC and provide services (storage) to DSA and the other services on a reimbursable basis. At the CONUS installation level, the storage sites are operated by the installation. The ICPs will centrally process all supply transactions to include requisitions, excess and inventory transactions. Using Military Standard Techniques, the ICPs release stock located at the installation (base), overseas depot or wholesale depot to meet requisitioned material requirements. The one exception to this procedure will be where national emergency and/or health and welfare considerations dictate. Under these criteria, to be established by the Department of Army, the overseas/installation commander has authority to issue stocks from local inventories with the issue/release post/posted to ICP accountable records.

(c) At the intermediate level, CONUS installation and overseas centralized supply management responsibilities are reduced. There is no residual item management responsibility for wholesale (vertical) funded inventories. CONUS installations/overseas activities will perform "scaled-down" intermediate supply functions. These efforts are concentrated in managing consumer funded GSA and local procured items and Procurement funded secondary items. The Installation Supply Division (ISD) will continue to function as a DS activity for all customers not supported by a DSU. Stockage levels for GSA, local procured, Procurement funded secondary and DS type items will be computed, requisitioned and stocked by the ISD. All material requisitions for vertically managed items will flow from the user or DSU through the installation/overseas account for financial program/fund control and then to the Defense Automatic Addressing Activity for distribution to the applicable ICP. Requisitions for installation stocked/managed items will be processed by the ISD who will either fill, backorder or pass the requirement to the wholesale supply system.

(4) Billing and Reimbursement.

(a) Billing by the ICPs is based on material dropped from inventory at wholesale depots or CONUS installation and overseas depot storage locations. Transfer of stocks from CONUS wholesale depots to overseas/CONUS installation accounts is treated as an inter-branch transfer within the vertical stock fund; billing and reimbursement is not required. At AMC depots, the wholesale stock fund accounts are reimbursed by OMA funds from MIDA. Overseas depot maintenance operations are reimbursed by OMA funds as apportioned for the applicable maintenance program. Upon issue of maintenance stocks to the overseas maintenance activity, the overseas command/MIDA reimburses the vertical stock accounts from AIF or OMA, as appropriate. GSA billing to the intermediate level remains as currently prescribed. The wholesale stock fund accounts of AMC, DSA and the other military services are reimbursed by OMA, OMAR, AIF, MAP, Grant Aid, as appropriate.

(b) At the intermediate level, the installation Finance and Accounting Office reimburses the wholesale supply sources of AMC, DSA, GSA and the other military services with consumer funds. In addition, there will be an accounting and reconciliation of paid bills with material receipts from the ISD. Formal 1080 billing and reconciliations will also be performed for sales of consumer funded GSA, local procured, fringe and DS type items to installation customers whose financial accounts are not administered by the installation Finance and Accounts Officer. Figure 4 depicts supply and financial management operations in CONUS for the vertical system.

VERTICAL CONUS

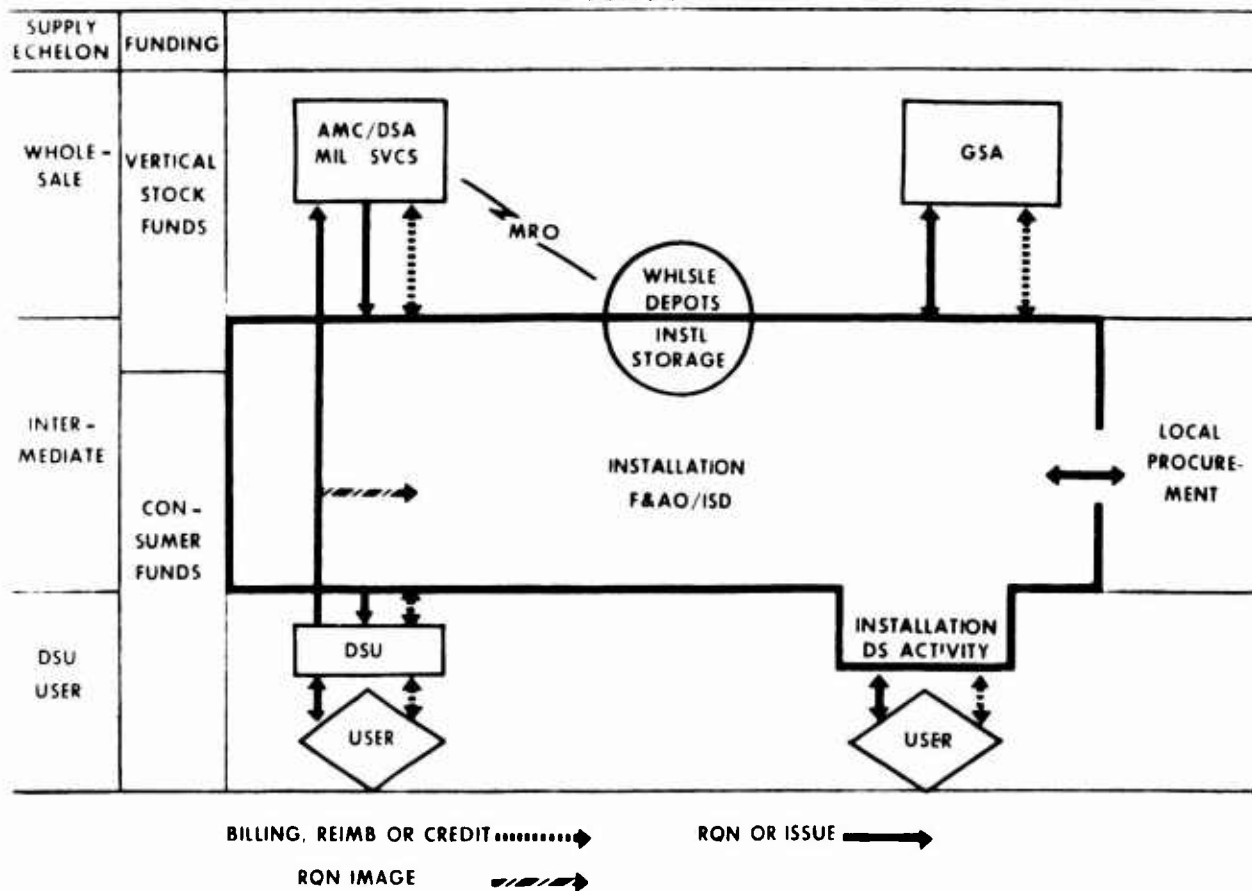


Figure 4. Vertical Supply and Financial Management Operations in CONUS

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(5) Logistic System Interfaces.

(a) General. Within the current Army logistic environment, two primary system innovations are under design and test to provide improved support. The Direct Support System (DSS) has been implemented overseas and is scheduled for CONUS proliferation in FY 75. The Secondary Item Management System Expanded (SIMS-X) will replace the current Asset Balance File reporting system. SIMS-X is scheduled for implementation in two phases. Phase I will include the Intermediate Level while Phase II will encompass assets at the Direct and General Support Unit. Modifications to these two systems for operation within a vertical stock fund and supply management environment are:

(b) Direct Support System (DSS).

1. DSS procedures will apply for Classes II, III Packaged, IV and IX.
2. Oversea depots and CONUS installation stockage levels will be reduced as called for under the DSS concept.
3. Billing by CONUS wholesale supply sources will continue as is today.
4. The pipeline will be financed with consumer funds for DSS shipments and non-stockage (fringe) items to the TO&E DSU and Installation Supply Division (ISD).
5. The ISD will function as a DSS DSU for units not supported by a DSU.
6. Intermediate level inventories maintained at the installation/overseas depot level will be financed by the vertical stock fund except for GSA, local procured, fringe and DS type items.

(c) Selected Item Management System--Expanded.

1. SIMS-X procedures will be modified to accommodate the vertical stock fund and supply management concept.
2. Under SIMS-X, the wholesale supply source has visibility and control of selective secondary items stocked in the retail commands.
3. Under the vertical supply management concept, the wholesale supply source will have complete item visibility for the full range of vertical stock funded items located at the intermediate level.

8. RESOURCE AND COST ESTIMATION.

a. General. The resource determination and cost estimation for the current horizontal stock fund and supply management system and a vertical stock fund and supply management system for CONUS operations was performed in three phases: concept formulation and verification, data collection, and review, analysis and validation.

(1) Concept Formulation and Verification. Following conceptual development of a vertical stock fund and supply management system for the cost comparison effort, coordination conferences were conducted with HQ AMC, the AMC Automated Logistics Management Systems Agency (ALMSA), the six AMC Commodity Commands, HQ FORSCOM and HQ TRADOC. The vertical concept was validated and verified with each principal headquarters, agency and subordinate command to insure a common understanding of the mission, functions and operations of each activity within the conceptual framework of the vertical stock fund and supply management system. Major mission and functional work elements impacted by the vertical system in stock fund financial and supply management were identified and analyzed to provide a basis for the estimated resource requirements in supply, finance and ADP support under the vertical system.

(2) Data Collection. Command approved resource and cost data were collected from HQ AMC, ALMSA, the six AMC Commodity Commands, HQ TRADOC, HQ FORSCOM and the 40 TRADOC/FORSCOM subordinate installations/commands.

(3) Review, Analysis and Validation.

(a) General. This phase of the cost comparison effort was performed to insure data reliability and accuracy. The LEA Cost Comparison Team personally visited HQ AMC, the six AMC Commodity Commands, ALMSA, HQ TRADOC and HQ FORSCOM to validate all resource and cost data associated with current horizontal and the developed vertical stock fund and supply management concept. All resource and cost data was subjected to regression analysis and statistical analysis. Variables utilized were man-years, population density, volume of sales and Authorized Stockage List lines. For each regression analysis performed, the regression coefficients, standard error of estimate and coefficients of correlation, determination and variation were calculated. The abnormal deviates were isolated, identified and corrected by headquarters, commands, and installations.

(b) Wholesale Level. To insure data accuracy for stock fund financial management, supply management and DMIS ADP support operations, HQ AMC, the six Commodity Commands and ALMSA data were reviewed onsite. The horizontal baseline and estimated vertical resource and cost data were reviewed and validated with supply and financial management personnel. Man-years in support of these operations were reviewed by utilizing the AMC Cost and Performance Plan and Report, RCS AMCSU 207, Schedule X's and the Defense Integrated Management Engineering System Report. Tables of Distribution and Allowances were cross-referenced to reported man-year resources to verify data validity. DMIS ADP resource and cost data for financial supply management support were developed by ALMSA based on the ALPHA configuration management system. Operational costs computed for the horizontal and vertical systems were reviewed to insure technical accuracy.

(c) Intermediate (Installation) Level. Resource and Cost data computed for the intermediate level were validated by a series of meetings and conferences with HQ TRADOC/FORSCOM and installation personnel. Functional

areas examined included supply management, stock fund financial management and MISO ADP support. Current missions and functions under the horizontal stock fund and supply management system were analyzed for operation within a vertical management environment. Impacts on functional work elements which increased or decreased resources with corresponding costs were verified with command representatives. Tables of Distribution and Allowances were cross-referenced with personnel utilization reports. Additionally, the LEA Cost Comparison Team visited seven (7) TRADOC/FORSCOM installations to review and validate current financial, supply management and MISO ADP support operations.

b. Comparison of Horizontal vs Vertical Stock Fund Financial Management.

(1) Wholesale (AMC) Level.

(a) Horizontal Stock Fund Financial Management.

1. Financial management of the wholesale stock fund within each of the commodity commands and AMC headquarters is a responsibility of the Comptroller. To perform this function, each commodity command employs an Army Stock Fund Branch or its equivalent. Responsibilities of the Army Stock Fund Branch are management and operation of a Sub-Home Office of the AMC or wholesale division of the Army Stock Fund. Functions performed by the Comptroller's Army Stock Fund Branch pertaining to wholesale level financial management operations are:

- ° Stock fund accounting.
 - ° Fund control accounting.
 - ° Financial inventory accounting.
- ° Stock fund billing.
- ° Stock fund budgeting.
- ° Stock fund reporting.

2. Principal recurring reports prepared by the commodity command Comptroller pertaining to stock fund operations are:

<u>REPORTS CONTROL SYMBOL</u>	<u>REPORT TITLE</u>	<u>FREQUENCY</u>
RCS AMCCP-130	ASF Financial Report	Monthly
RCS AMCCP-144	Army Stock Fund Branch Office General Ledger Trial Balance (Internal)	Monthly
CSCFA-181	Status of Funds - ASF	Monthly
TREAS-1061	Statement of Interfund Transactions	Monthly
CGLD-1438	Quarterly Stratification Report of Secondary Items	Quarterly

<u>REPORTS CONTROL SYMBOL</u>	<u>REPORT TITLE</u>	<u>FREQUENCY</u>
DD-COMP-676	Changes in Inventory (Statement 4) and Inventory Status and Transaction Statement (Statement 4a)	Quarterly & Semi-Annually
DD-COMP-1032	Quarterly DOD Stock Fund Reports (Statements 1, 2, 3a and 6)	Quarterly & Annually
CSGLD-1066	Army Stock Fund Annual Budget	Annually

(b) Vertical Stock Fund Financial Management. Under the vertical concept of operations, financial management responsibilities and functions of the Comptroller at AMC headquarters and the commodity commands remain the same as current horizontal operations. There will be an increase in the scope and magnitude of some functions to perform centralized financial management under the vertical stock fund concept.

(c) Horizontal vs Vertical Man-Years for Stock Fund Financial Management. Man-years for financial management operations at the wholesale level for the current horizontal and a vertical stock fund are displayed in figure 5. Data for each commodity command is listed in Appendix F, Tables F-1 through F-6.

COMMAND	HORIZONTAL (MAN-YEARS)	VERTICAL (MAN-YEARS)	DIFFERENCE (MAN-YEARS)
ARMCOM	20	22	+ 2
AVSCOM	40	42	+ 2
ECOM	43	45	+ 2
MICOM	30	32	+ 2
TACOM	50	55	+ 5
TROSCOM	41	44	+ 3
COMBINED TOTAL	224	240	+16

Figure 5. AMC Financial Management Man-Years

(d) Horizontal vs Vertical Personnel Costs for Stock Fund Financial Management. Annual personnel operating costs for financial management under the current horizontal and a vertical concept are displayed in figure 6. Data for each separate AMC Commodity command is listed in Appendix F, Tables F-1 through F-6.

COMMAND	HORIZONTAL (THOUSAND \$)	VERTICAL (THOUSAND \$)	DIFFERENCE (THOUSAND \$)
ARMCOM	196.9	216.6	+ 19.7
AVSCOM	433.7	455.4	+ 21.7
ECOM	534.0	558.8	+ 24.8
MICOM	426.8	455.2	+ 28.4
TACOM	584.8	643.3	+ 58.5
TROSCOM	509.1	546.4	+ 37.3
COMBINED TOTAL	2,685.3	2,875.7	+ 190.4

Figure 6. AMC Financial Management Personnel Costs

(e) Analysis of Man-Years and Personnel Costs, Horizontal vs Vertical Stock Fund Financial Management.

1. Stock Fund Accounting.

a. Fund Control Accounting. This function is associated with management of the commodity commands' Sub-Home Office of the AMC division of the Army stock fund. General and subsidiary ledger accounting for fund control, certification of commitment and obligation authority, processing of procurement actions for depot rebuilds; disbursements, collections, progress payments, movement and disposition of stock fund materiel and the preparation of financial reports are performed under this function. Disbursement and collection vouchers are reviewed/analyzed and reconciliation is performed for fiscal year-end closing. The fund control function will increase in scope under vertical operations. Additional procurement actions will be required for rebuild or repair of vertical owned material. Financial disposition documentation will increase for assets turned-in as excess (creditable and non-creditable) repairable or salvage from the user at each CONUS post, camp and station to the vertical accounts.

b. Financial Inventory Accounting. Within each commodity command, financial controls and accounting of inventory transactions and balances at each storage location are required under the current centralized accountability responsibility of the National Inventory Control Point (NICP). The vertical concept of operation will increase this function since each NICP will have item and dollar accountability for stocks located at each CONUS post, camp and station. Additional controls and documentation will be required to assure item and dollar balances and stratifications of inventory are within limits as defined by AMC standards.

2. Stock Fund Billing. Each stock fund activity within the commodity command executes billing actions to DOD and all other agencies for issue (sale) of their assigned and managed items. Both interfund and 1080 billing will increase under the vertical concept with the elimination of TRADOC/FORSCOM command retail stock funds. The retail stock funds of TRADOC and FORSCOM provide a clearing house for financial transactions between the

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wholesale stock fund and the installation consumer funded customers. Under a vertical system, the wholesale financial management activity will be required to execute financial billing, payment and adjustment transactions with the installation Comptroller, DIO and for all customers formerly retail stock fund supported by the Installation Supply Division such as Reserves, National Guard, local government, Red Cross and Boy Scouts. All installation customers whose financial accounts are not administered by the local installation will require separate financial transactions with the wholesale vertical accounts. Peripheral actions of the commodity commands' billing function may also increase in scope and magnitude. Additional billing adjustments, administration of accounts receivable, off-line credits and adjustments for lost and damaged shipments and document voucher validation and credit reports will be required under the vertical system. Financial reconciliation between the wholesale level and the intermediate (installation) level will still be required. This portion of the billing and reimbursement process will be a required action regardless of the financial management system adopted.

3. Stock Fund Budgeting. At each commodity command the Comptroller receives financial budgetary data from the Directorate of Materiel Management for consolidation and preparation of the annual stock fund budget. Additionally, there is a requirement to review performance of the budget and forecasted plans. Although this function's scope is not anticipated to increase under vertical stock funding, the sources of budgetary and financial data may become more complicated for required stratification. Proliferation of funding appropriations, OMA, OMAR, MPA and other end-use appropriations in-lieu of command retail stock funds may require additional analysis, controls, journals, subsidiary ledgers and supporting documents for ASF budgetary accounts, operating statements and narrative budget analyses.

4. Stock Fund Reporting. Current financial management operations at the wholesale level require both internal and external management reports. Additional reports may be necessary since wholesale financial management operations are extended to the intermediate level for vertical owned stocks positioned at TRADOC/FORSCOM installations. Internal financial reporting requirements such as statistical analysis, collections, accruals, and procurement/disposal/maintenance reports, may also increase.

5. Figure 7 graphically depicts wholesale level financial management functions which increase or remain equal for stock fund financial management under the vertical funding concept.

		VERTICAL STOCK FUNDING .. SCOPE/MAGNITUDE		
		INCREASE	DECREASE	EQUAL
<u>AMC Commodity Commands</u>				
<u>Function</u>				
° Stock Fund Accounting				
	° Fund Control Accounting	X		
	° Financial Inventory Accounting	X		
° Stock Fund Billing				
		X		
° Stock Fund Budgeting				
				X
° Stock Fund Reporting				
				X

Figure 7. AMC Wholesale Financial Management Functional Analysis

(2) Retail (Installation) Level.

(a) Horizontal Stock Fund Financial Management.

1. Under the current financial management structure, each separate TRADOC/FORSCOM installation manages and controls its portion of the parent command's retail stock fund. Primary responsibility for retail stock fund management is vested in the Director of Industrial Operations (DIO), Installation Supply Division (ISD), and the Installation Comptroller. Functions performed by personnel within the DIO pertaining to stock fund financial management operations at TRADOC and FORSCOM installations are:

- ° Retail stock fund budgeting and supply programming.
- ° Retail stock fund management and control of acquisition (obligational) authority.
- ° Retail stock fund line item and related dollar inventory accounting and reporting (quarterly stratification to DA, ICPs and ACMAs).

2. Comptroller functions relating to financial management at the installation level include:

- ° Accounting, reporting, reimbursement and financial reconciliation of retail stock funds with 24 whole-sale supply sources.
- ° Financial inventory dollar accounting/reporting of retail stock funded inventories.
- ° Retail stock fund acquisition authority (obligation) control. (Dual function with DIO.)

- ° Cash control--treasury cash for payment of bills.
- ° Retail stock fund budget preparation in coordination with the DIO. (Ties in consumer fund budget with retail stock fund budget.)
- ° Billing (1080) between installation retail stock fund and consumer funds for appropriations not accounted for, reported or administered by installation Comptroller.
- ° Reconciliation of retail stock fund expenses to obligations, changes plus or minus to inventory and undelivered orders. Applies to requisitions from installation level to wholesale supply sources.

3. Principal reports prepared by the installation DIO and Comptroller pertaining to stock fund operations are:

<u>REPORTS CONTROL SYMBOL</u>	<u>REPORT TITLE</u>	<u>FREQUENCY</u>
RCS CSGLD-1115 (R5) #6	Army Stock Fund Management Report	Monthly
RCS CSGLD-1115	Army Stock Fund Management Report (Narrative Portion) Section I. General Section III Finance and Accounting	Monthly
CSCFA-181	Status of Funds Army Stock Fund	Monthly
CSCFA-229	Reconciliation of Working Capital Fund Cash Transactions -- Army Stock Fund	Monthly
CSCFA-212/ AFCO-73	Obligations by Object Class Within Budget Program	Monthly
RCS DD-COMP (SA) 676	Army Stock Fund Narrative Analysis (Required Quarterly by DA) (3) Statement 5, Operating Budget Statement	Quarterly
RCS DD-COMP (A) 1033	Army Stock Fund Narrative Analysis (Required Quarterly by DA) (1) Statement 3, Summary of Cash Sources and Application	Quarterly
RCS AFCO-77 (R3)	Army Stock Fund General Ledger Trial Balance	Quarterly
RCS DD-COMP (SA) 676	Army Stock Fund Narrative Analysis (Required Quarterly by DA) (1) Statement 4, Changes in Inventory Statements	Quarterly
	Statement 4a, Inventory Status and Transaction Statements (Prepared from data on General Ledger Trial Balance)	Quarterly

REPORTS CONTROL SYMBOL	REPORT TITLE	FREQUENCY
RCS DD-COMP (Q) 1032	Army Stock Fund Narrative Analysis (1) Statement 1, Financial Condition (2) Statement 2, Changes in Capital of the Fund (3) Statement 3a, Financial Program Objectives (4) Statement 6, Reimbursable Issues. (DIO uses)	Quarterly
RCS AFCD-77 (R3)	Army Stock Fund General Ledger Trial Balance (Post Closing).	Annual
RCS CSGLD-1111 (R2)	Schedule 3, Analysis of Cash Schedule 3a, Financial Program Objectives	Annual
RCS Budget 1066	Army Stock Fund Business-Type Budget Statements for FY 1975 (12 schedules). This statement provides financial program objectives by fiscal quarters.	Annual

(b) Vertical Stock Fund Financial Management.

1. Under the vertical concept of operation, the installation DIO (ISD) and Comptroller will be primarily involved in management of consumer and other end-use appropriations funds to meet installation and customer supply requirements. Functions that will be performed by the DIO include:

- ° Budgeting and supply programming for total installation requirements. Includes installation GSA, local procurement, DS type stocks, stocks for installation operated supply activities such as the Self Service Supply Store, Clothing Sales Store and all other user/customer requirements of the installation translated from the consumer fund budget.
- ° Funding management and control of requisition authority for installation stocks of GSA, local procured, fringe, DSU type items and all installation customer requisitions submitted direct to wholesale supply sources.
- ° Line item and related dollar inventory accounting and reporting of installation owned and consumer funded stocks of GSA, local procured, fringe and DSU type items. Stratification, accounting, and reporting of wholesale (vertical) owned stocks positioned at the installation level.

are: 2. Comptroller functions required under the vertical system

- ° Accounting, reporting, reimbursement and financial reconciliation of each separate consumer fund account with 24 wholesale supply sources. Includes Installation Supply Division account for GSA, local procurement, fringe, DS type stocks and each consumer fund account for supported customers.
- ° Financial inventory accounting/reporting of vertical funded stocks and installation owned consumer funded inventories which include GSA, fringe, local procurement and DS type stocks.
- ° Fund control in coordination with the DIO for the Installation Supply Division account and for each separate end use appropriation (OMA, OMAR, MAP, MPA) by separate consumer account (Reserves, National Guard, local government, Red Cross and Boy Scouts).
- ° Cash control -- treasury cash for payment of bills.
- ° Budget preparation in coordination with the DIO for Installation Supply Division consumer funded inventories of GSA, local procured and DS type stocks and for total installation requirements translated from the user's consumer fund budget.
- ° Billing (1080) between installation consumer fund carrier account and user OMA accounts for GSA, local procured and DSU type stocks. Applies to accounts not administered by installation Comptroller.
- ° Reconciliation of expenses to obligations for each end use appropriation, changes plus or minus to inventory and undelivered orders. (Applies to all requisitions generated at the installation level.)

(c) Horizontal vs Vertical Man-Years for Financial Management. Man-years for financial management pertaining to the current horizontal and a vertical stock fund for TRADOC and FORSCOM are displayed in Figure 8. Data for HQ TRADOC and installations is listed in Appendix G, Tables G-1 through G-22, for FORSCOM, Appendix H, Tables H-1 through H-20.

COMMAND	HORIZONTAL (MAN-YEARS)	VEPTICAL (MAN-YEARS)	DIFFERENCE (MAN-YEARS)
TRADOC:			
DIO	41	60	+19
COMPTROLLER	<u>95</u>	<u>117</u>	<u>+22</u>
TOTAL	136	177	+41
FORSCOM:			
DIO	62	68	+ 6
COMPTROLLER	<u>129</u>	<u>157</u>	<u>+28</u>
TOTAL	191	225	+34
COMBINED TOTAL	327	402	+75

Figure 8. TRADOC/FORSCOM Financial Management Man-Years

(d) Horizontal vs Vertical Personnel Costs for Financial Management. Annual personnel operating costs for financial management pertaining to the current horizontal and a vertical stock fund for TRADOC and FORSCOM are displayed in Figure 9. Data for HQ TRADOC and installations is listed in Appendix G, Tables G-1 through G-22, for FORSCOM Appendix H, Tables H-1 through H-20.

COMMAND	HORIZONTAL (THOUSAND \$)	VERTICAL (THOUSAND \$)	DIFFERENCE (THOUSAND \$)
TRADOC:			
DIO	546.5	808.1	+261.6
COMPTROLLER	<u>1,054.6</u>	<u>1,290.1</u>	<u>+235.5</u>
TOTAL	1,601.1	2,098.2	+497.1
FORSCOM:			
DIO	758.0	788.5	+ 30.5
COMPTROLLER	<u>1,351.6</u>	<u>1,612.2</u>	<u>+260.6</u>
TOTAL	2,109.6	2,400.7	+291.1
COMBINED TOTAL	3,710.7	4,498.9	+788.2

Figure 9. TRADOC/FORSCOM Financial Management Personnel Costs

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(e) Analysis of Man-Years and Personnel Costs, Horizontal vs Vertical Stock Fund Financial Management.

1. Director of Industrial Operations.

a. Budgeting and Supply Programing. Under the vertical concept, retail stock fund budgeting is eliminated and consumer fund budgeting and supply programing are required for intermediate level stocks of GSA, local procurement, fringe (non-stocked) and DS type items. Other installation operated supply activities requiring supply programing to provide requirements to the wholesale level are the Self-Service Supply Center, Clothing Sales Store, Central Issue Facility and Clothing Initial Issue Point. There is a continuing need to provide data to the wholesale supply sources concerning total installation/command requirements. Information concerning total requirements will not be available at the wholesale level since requirements relate to funds available for support of users (OMA, OMAR, AIF, NG, MAP, MPA, Cash). Budgeting and supply programing became more complicated under the vertical concept as separate programs must be established with each wholesale supplier for each separate funding entity involved. For example, electronics material is supplied from four separate sources of supply: AMC, DSA, GSA and local procurement. Supply programs must be established for each supply source by separate funding entity. The supply program and budget under the current horizontal stock fund system requires one set of statements for each materiel category and one set consolidated, for a total of 15 sets. (Currently, there are 38 budget statements that are consolidated or "rolled-up.") Under the vertical concept there will be a requirement for 115 sets of supply and budget statements. Figure 10 illustrates the supply program and budget statements that will be required. Figures 11 and 12 contrast the budgeting process under the horizontal and vertical systems. Both the budgeting and supply programing functions at each TRADOC and FORSCOM installation and headquarters will increase in scope, complexity and magnitude under the vertical funding concept.

MAT CAT	AMC			DSA			GSA			LOCAL SOURCES			CONSOL VERT			OVER-ALL CONSOL			TOTAL NO STMT
	VERT STK FUND	OMA	CONSOL	VERT STK FUND	OMA	CONSOL	OMA	CONSOL	OMA	SOURCES OMA	VERT	OMA	CONSOL	OMA	CONSOL	OMA	CONSOL	OMA	
Gnd Forces Spt-AMC	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	11
Gnd Forces Spt-DSA				1	1	1				1	1	1	1	1		1	1	1	7
Med - Den				1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	8
Gen Sup				1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	8
Clo & Tex				1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	8
Elec-tronics-AMC	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	11
Elec-tronics-DSA				1	1	1				1	1	1	1	1		1	1	1	7
Air Mat	1	1	1				1	1	1	1	1	1	1	1	1	1	1	1	8
Tk & Autmv	1	1	1				1	1	1	1	1	1	1	1	1	1	1	1	8
Msl Mat	1	1	1				1	1	1	1	1	1	1	1	1	1	1	1	8
Wpns, FC, Sp Wpn & Cml	1	1	1				1	1	1	1	1	1	1	1	1	1	1	1	8
POL-DSA				1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	8
Subs				1	1	1				1	1	1	1	1	1	1	1	1	7
Ind Sup				1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	8
TOTAL	6	6	6	10	10	10	11	14	14	14	14	14	14	14	14	14	14	14	115

Figure 10. Vertical Supply Program and Budget Statements

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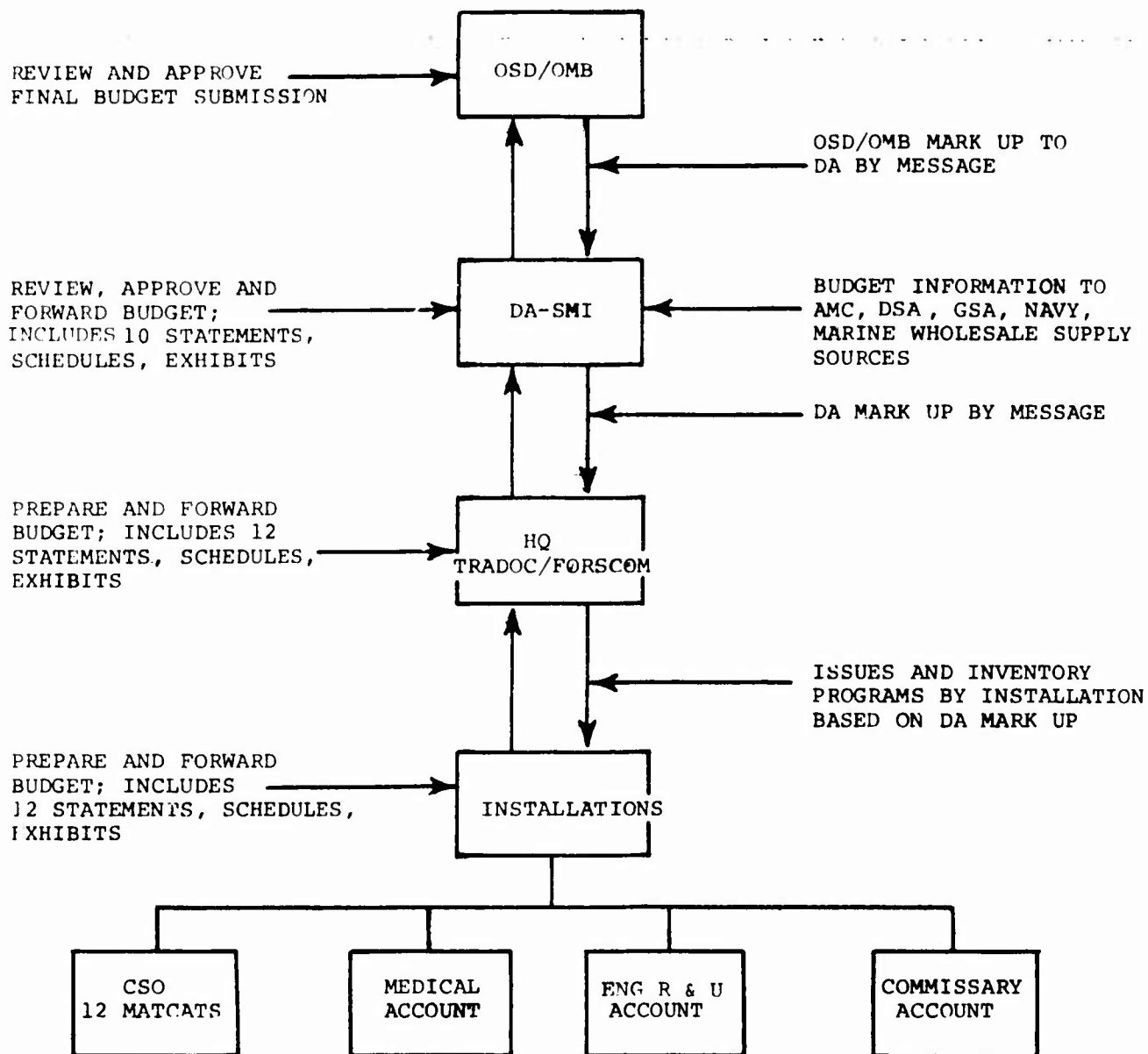


Figure 11. Horizontal Stock Fund Budget Submission (Installation) Level

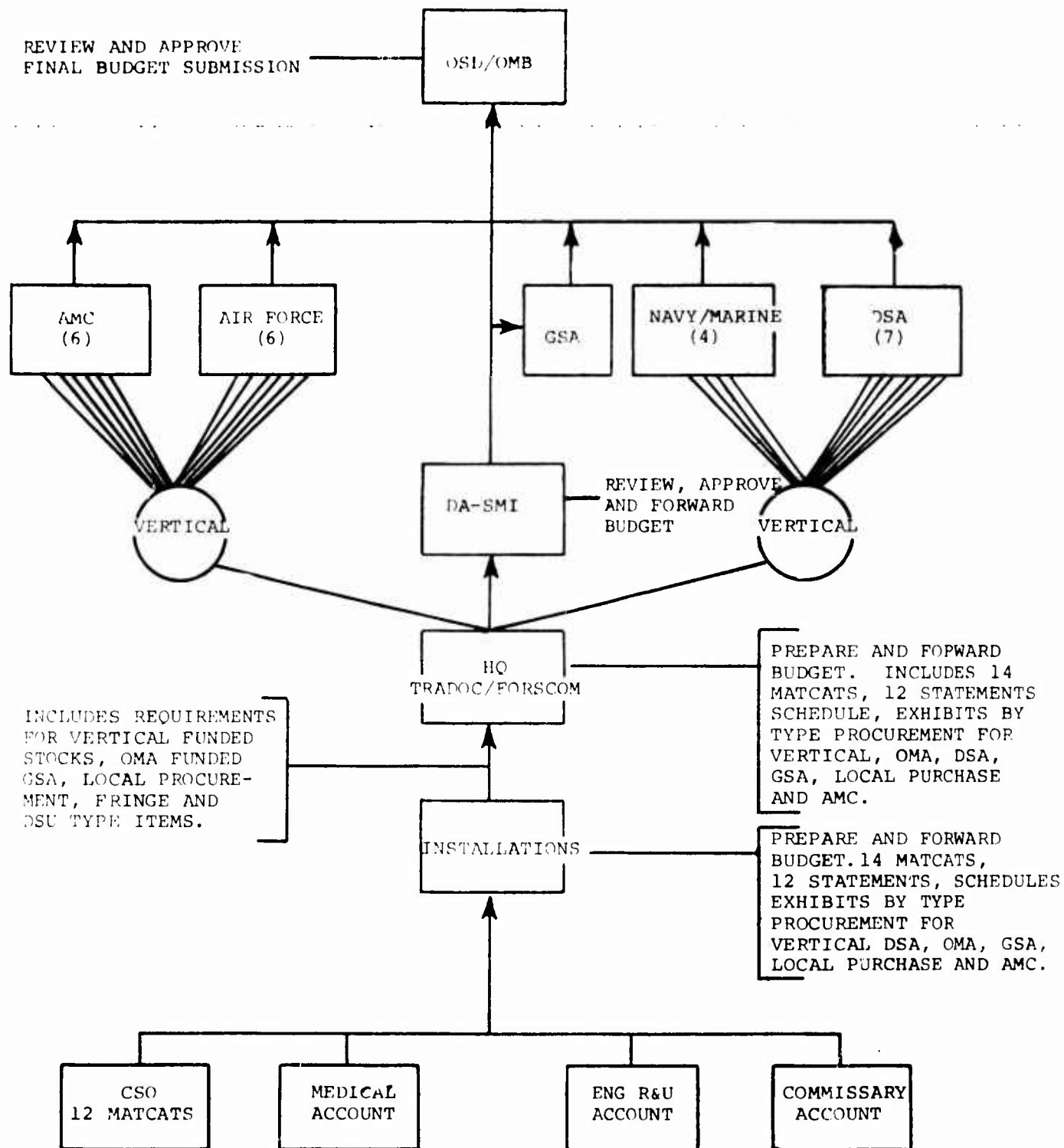


Figure 12. Vertical Stock Fund Budget Submission (Installation) Level

b. Funding Management and Control. Overall management of the installation's segment of the command retail stock fund is vested in the DIO at each TRADOC/FORSCOM installation and the DCSLOG at the command's headquarters. The control of acquisition authority is a joint function between the DIO and Comptroller. Vertical stock funding eliminates the DIO's function of retail stock fund management and control of acquisition authority for purchase of inventories in support of installation requirements. Since installation inventories will be financed by consumer funds there is now a requirement for the DIO to exercise consumer fund management and control of obligation or requisition authority for intermediate level managed and consumer funded stocks of GSA, local procured, fringe and DS type items. A continuing requirement exists to exercise consumer fund control for requisitions submitted to the wholesale supply source for vertical funded items by installation customers. The scope of the funding management and consumer fund control function is equal to that previously performed under the horizontal stock fund.

c. Line Item and Dollar Inventory Accounting/Reporting. Under the present horizontal stock fund the Headquarters DCSLOG and installation DIO perform line item accounting and related dollar inventory reporting in a quarterly stratification to DA, the wholesale ICPs, and AMC Army Class Manager Activities. Implementation of vertical funding and financial management will not reduce the scope of the function. Inventory assets which are the property of the separate wholesale supply sources must still be reported by line item and dollar amounts. Additionally, the installation will also be required to report installation owned (intermediate level) stocks of GSA, local procured, fringe and DS type items. The requirement for dual reporting of collocated and commingled installation and ICP stocks by materiel category and ownership code will increase the workload at installation and headquarters level.

2. Comptroller.

a. Accounting, Reporting, Reimbursement, and Financial Reconciliation. Current horizontal stock fund procedures require each TRADOC/FORSCOM installation to perform accounting, reporting, reimbursement and financial reconciliation of one command retail stock fund with the 24 wholesale supply sources of AMC, DSA, GSA and the other military services. A vertical stock fund with elimination of command retail stock funds coupled with the use of various types of consumer funding and other end use appropriations at installation level complicates the functions of accounting, reporting, reimbursement and financial reconciliation. The installation Finance and Accounts Officer will be required to perform these functions with each separate wholesale supply source for each separate consumer (Reserves, National Guard, Active Army, local government, Red Cross) for each separate end use appropriation (OMA, OMAR, MAP, AIF, Cash, MPA). The scope and magnitude of these functions is increased.

b. Financial Inventory Accounting/Reporting. Although related to line item accounting performed by the DIO, the Comptroller is required to prepare and report financial inventory account documentation for stocks at intermediate level. Under vertical funding, separate reports will be required for vertical funded assets belonging to the wholesale supply sources and those assets which are managed and accountable at the intermediate level; i.e., GSA, local procured, fringe and DS type stocks. The scope of this function is increased.

c. Fund Control. This function is jointly performed with the Installation Supply Division of the DIO. Elimination of command retail stock fund eliminates the need for stock fund acquisition authority control. However, the financing of installation inventories of GSA, local procurement, fringe and DS type stocks with consumer funds requires control of requisitions submitted in support of intermediate level requirements. There is also a requirement to exercise fund control for the dollar value of installation customer requisitions placed directly upon the wholesale supply sources. The scope and magnitude of this function remains the same under vertical stock funding.

d. Cash Control. This function involves the control of US Treasury cash for payment of bills. The function is retained under vertical stock funding although consumer funds replace retail stock funds. The scope remains the same.

e. Budgeting. As previously discussed under the DIO, the budgeting function becomes more complicated under the vertical funding concept. Separate schedules and statements must be prepared for each wholesale supplier for each separate funding entity; OMA, OMAR, MPA, MAP. Additionally, the Comptroller and ISD must develop consumer fund budget schedules for installation requirements for intermediate level stocks and those for installation customers. This function increases in scope and magnitude under the vertical funding concept.

f. Billing. The installation Comptroller currently performs formal 1080 billing between the installation stock fund and customers when the customer's account is not financially administered by the installation Finance and Accounts Officer. The vertical concept will also require formal 1080 billing. A command consumer fund carrier account will be utilized to finance installation owned inventories of GSA, local procurement, fringe and DS type stocks. When these stocks are issued to customers such as the National Guard, local government, Red Cross, Boy/Girl Scouts, Reserves and installation tenant activities whose financial accounts are not administered by the installation, formal billing is required. The personnel required to administer this activity remains the same under either vertical or horizontal stock funding.

g. Reconciliation of Expenses to Obligations, Changes to Inventory and Undelivered Orders. This function will increase significantly upon implementation of vertical stock funding. The task currently involves financial reconciliation between the installation and command's retail stock fund and the wholesale stock funds of each supply source. Reconciliation of expenses, undelivered orders and computation of inventory changes apply to installation owned stocks financed by the retail level stock fund for which requisitions were submitted to the wholesale level. Vertical stock funding will require reconciliation of expenses, inventory changes and undelivered orders between each separate wholesale supply source for each end-use appropriation; OMA, OMAR, MAP, MPA by separate requisitioning activity for all requisitions/requests for issue generated at the installation level which flow directly to the wholesale supply source. Under the vertical concept, the volume of requisitions submitted to the AMC wholesale level is estimated to increase by 50%. This function will require increases in manpower to administer at the installation level.

3. Figure 13 graphically depicts TRADOC/FORSCOM DIO and Comptroller functional work elements which increase or remain equal for financial management at the intermediate level under the vertical funding concept.

		VERTICAL STOCK FUNDING SCOPE/MAGNITUDE		
		<u>INCREASE</u>	<u>DECREASE</u>	<u>EQUAL</u>
HEADQUARTERS DCSLOG/ INSTALLATION DIO:				
<u>FUNCTION</u>				
°	Budgeting, Supply Programing	X		
°	Funding Management and Control			X
°	Line Item and Dollar Inventory Accounting/Reporting	X		
HEADQUARTERS/INSTALLATION COMPTROLLER:				
<u>FUNCTION</u>				
°	Accounting, Reporting, Reimbursement, Financial Reconciliation	X		
°	Financial Inventory Accounting/Reporting	X		
°	Fund Control			X
°	Cash Control			X
°	Budgeting	X		
°	Billing			X
°	Reconciliation of Expenses to Obligations, Changes to Inventory and Undelivered Orders	X		

Figure 13. TRADOC/FORSCOM Retail Level Financial Management Functional Analysis

c. Comparison of Horizontal vs Vertical Supply Management.

(1) Wholesale (AMC) Level.

(a) Horizontal (current) Supply Management.

1. Wholesale supply management of stock funded items within each of the commodity commands is a responsibility of the Directorate of Materiel Management (DMM). Responsibilities of the DMM are to manage and direct NICP operations for integrated materiel management of assigned and

managed items. The Army Management Structure functions (AR 37-100-74) performed by the DMM pertaining to wholesale level commodity management of stock funded items are:

- ° Cataloging Direction
- ° Procurement Direction
- ° Distribution Management
- ° Rebuild Direction
- ° Disposal Direction
- ° Requirements Computation
- ° Inter-Service Supply Support
- ° Supply Technical Assistance
- ° Cataloging
- ° Stock Control
 - ° Requisition Processing
 - ° Other Stock Control Operations
- ° Training
- ° Supply Management Operations Support

2. Principal recurring reports prepared by the commodity command DMM pertaining to stock fund supply management are:

<u>REPORTS CONTROL SYMBOL</u>	<u>REPORT TITLE</u>	<u>FREQUENCY</u>
AMCSU-204	Summary of Excess Personal Property (Internal)	Monthly
AMCSU-212	Depot Quarterly Inventory Capability Report (Internal)	Quarterly
AMCSU-214	NICP Report of Physical Inventory (Internal)	Quarterly
AMCSU-227	Logistic Transfer BKZ Received/Non Received Listing (Internal)	Monthly
AMCSU-234	Elimination of Zero Balance Secondary Items (Internal)	Quarterly
CSGLD-1111 (R2)	Army Stock Fund Program Guidance and Instructions	As Required
CSGLD-1237 (R1)	Logistics Analysis of Major Army Commands Summary Evaluation of Unit Readiness	Quarterly

REPORTS CONTROL
SYMBOL

REPORT TITLE

FREQUENCY

CSGLD-1660

Estimate of Consumer Funds Required for
Support of New or Improved Equipment

Annual

(b) Vertical Supply Management. Under the vertical concept of operations, supply management responsibilities and functions of the DMM at each commodity command are expanded in scope and magnitude to perform vertical management of stocks positioned at the intermediate level.

(c) Horizontal (current) vs Vertical Man-Years for Supply Management. Man-years for supply management at the wholesale level for current systems and a vertical supply management system are displayed in figure 14. Data for each Commodity Command is listed in Appendix F, Tables F-1 through F-6.

COMMAND	HORIZONTAL (MAN-YEARS)	VERTICAL (MAN-YEARS)	DIFFERENCE (MAN-YEARS)
ARCOM	381	454	+ 73
AVSCOM	696	850	+154
ECOM	457	546	+ 89
MICOM	366	443	+ 77
TACOM	599	736	+137
TROSCOM	443	525	+ 82
COMBINED TOTAL	2,942	3,554	+612

Figure 14. AMC Supply Management Man-Years

(d) Horizontal (current) vs Vertical Operating Costs for Supply Management. Annual personnel operating costs for supply management under the current horizontal and a vertical concept are displayed in figure 15. Data for each separate Commodity Command is listed in Appendix F, Tables F-1 through F-6.

COMMAND	HORIZONTAL (THOUSAND \$)	VERTICAL (THOUSAND \$)	DIFFERENCE (THOUSAND \$)
ARMCOM	6,023.6	7,177.7	+1,154.1
AVSCOM	10,687.8	13,052.6	+2,364.8
ECOM	6,121.1	7,313.1	+1,192.0
MICOM	5,794.9	7,014.0	+1,219.1
TACOM	9,210.2	11,316.7	+2,106.5
TROSCOM	7,226.2	8,563.8	+1,337.6
COMBINED TOTAL	45,063.8	54,437.9	+9,374.1

Figure 15. AMC Supply Management Personnel Costs

(e) Analysis of Man-Years and Annual Personnel Costs, Horizontal (current) vs Vertical Supply Management.

1. Cataloging Direction. This function provides for initiation of actions requiring identification of major and minor items and preparation of prescribed catalog manuals, leading to the cataloging of major items. A vertical stock fund and supply management system will not require additional cataloging actions, therefore no increases or decreases are forecast to NICKP resources and costs to perform this function in a vertical environment.

2. Procurement Direction. Included in this function are the requirements to initiate, process or amend procurement work directives to the commodity command Procurement Office or the other military departments. Material for stock replenishment is either shipped to the AMC CONUS depot system or by direct delivery to customers. Under the vertical stock fund and supply management concept, the stockage levels of vertical funded items at the CONUS post, camp or stations will be computed and replenished by AMC from the AMC wholesale depot system or from contract direct delivery shipments. The scope and magnitude of this function is forecast to increase by 5% in personnel resources and costs considering the functional work that will be expended in initiating, processing, and amending procurement work directives for contract direct delivery shipments to customers.

3. Distribution Management. The distribution of major and minor items from procurement or rebuild to AMC CONUS depots or to customers; and the redistribution of stocks between depots and commands are the performance factors for this function. The vertical supply management concept requires the AMC National Inventory Control Point (NICKP) to maintain installation stocks at their prescribed and authorized levels. A 50% increase is estimated in NICKP functional work effort for distribution management of vertical stock funded and managed items. The 50% increase is based on the NICKP requirement to establish and maintain vertical funded stocks at the levels computed for each installation by the NICKP.

4. Rebuild/Repair Direction. This function provides for the initiation and processing of rebuild work directives to National Maintenance Points and/or the Depot Maintenance Control Center for stock replenishment or direct shipment to customers within limitations of approved programs

or as otherwise directed from higher authority. Amendments and rebuild expediting are included. Within the current supply and maintenance system, repairable items may be turned in at the Installation Supply Division for repair and return to stock. Under the vertical stock fund and supply management concept, the AMC item manager has financial and item accountability for vertical funded items located at the installation. A 10% increase in NICP workload is estimated for rebuild/repair direction of vertical owned and managed assets.

5. Disposal Direction. To accomplish this function of commodity management, the item manager initiates authorizations to require disposal to be accomplished. The performance factor is disposal directives issued. An increase of 10% in the current workload is forecast. Currently, excesses generated at the installation level are reported to and screened by the Installation Supply Division prior to being reported to the NICP for disposition. Under vertical funding and supply management, additional line items will be reported to the NICP item manager since all vertical funded assets are his responsibility, both line item and dollar accountability.

6. Requirements Computation--All Principal and Secondary Items. Requirements computation for principal and secondary items is performed at each commodity command to determine the necessity for procurement, rebuild, distribution, disposal or other supply actions. Functions performed include:

- Special studies as PEMA Budget Defense Forms
- MAP studies
- Contingency planning studies
- Mobilization computation studies
- Requirements studies
- Financial Inventory Accounting studies
- Density studies
- Studies of items in short supply
- Determination of provisioning requirements to support new equipment
- Stratification of assets and special studies for support arrangements under the Standard Management System Supply Support Arrangements
- Determination and recording of standard prices
- Development of worldwide asset data
- Development of peacetime data and other miscellaneous studies.

The performance factors for determination of personnel resources and costs expended in performing requirements computation are:

- ° FSN Studies Principal Items
- ° FSN studies Secondary Items
- ° Special studies

Within a vertical stock fund and supply management environment, all stockage levels of vertically funded items will be subject to requirements computation by the commodity command item manager. This includes Installation Supply Division vertical funded ASL lines, special project and mobilization stocks. To perform this function for the forty (40) TRADOC/FORSCOM installations a 25% increase in personnel workload and costs is anticipated.

7. Interservice Supply Support. This function is associated with interservice support activities, type classification, asset reporting (AR 711-5), contingency plan monitoring and control; for DSA items, liaison and coordination with DSA concerning new item introduction, provisioning and special program data. Interservice Supply Support functional work and costs will not increase under a vertical stock fund and supply management system for Army managed items.

8. Supply Technical Assistance. This function provides for Army-wide technical assistance by Department of Army military and civilian supply specialists, as defined and authorized by AR 700-4; for commodities managed by AMC. Excluded are medical materiel under direction of the Surgeon General; Strategic Communications technical assistance; maintenance technical assistance; Logistical Technical Assistance; and related assistance programs identified in AR 700-4. Includes only travel and per diem of supply technicians providing assistance to overseas and CONUS activities authorized in accordance with policies stated in AR 700-4. Includes salaries and personnel benefits only when the primary duties of such personnel are identified on the organizational TDA or TOE as primarily involving supply technical assistance. No recurring increase in functional work was forecast, although a one-time program may be required at CONUS installations if the vertical stock fund and supply management concept is implemented.

9. Cataloging. Preparation of Department of Army supply catalogs; furnishing catalog data on all Army items of supply for distribution to all echelons worldwide; catalog data acquisition; research and classification of items; preparation and revision of item identifications for all logistics functions; compilation of Federal Catalog Sections and allied publications; and development of Federal Item Identification Guides and procurement identification description are included in this function. Performance factors are:

- ° FSNs assigned during the period by either reference or descriptive method.
- ° FSNs deleted during period.
- ° FSNs cataloged at end of period.

No increase was forecast for functional work in this area under the vertical supply management concept.

10. Stock Control. This function was separated into two primary segments, Requisition Processing and Other Stock Control Operations; for

the resource and cost estimation under horizontal and vertical supply management.

- o Requisition Processing. Includes receiving, recording and processing material request documents (requisitions), maintaining requisition files, providing status information on requisitions, liaison operations with using activities and bases, and overall supervision of stock control operations. Performance factors are:
 - o Requisition line items processed by ADPE.
 - o Requisition line items processed manually.
- o Other Stock Control Operations. Included in this segment is the control and processing of receipt documents and completed order files; maintenance of stock records; processing documents which affect stock records including receipts, adjustments and issues; accumulation of data for use in development of requirements including demand data, stock status reports, and the Army Equipment Record Systems; and participation in the development, testing and revision of supply systems and procedures for worldwide application.

Functional workload in Requisition Processing is forecast to increase by 50% under the vertical supply management concept. The 50% increase was developed by extrapolation of data from the TRADOC/FORSCOM Supply Support Effectiveness Report, ATLOG-74. Total requisitions received by the Installation Supply Division and quantity of requisitions placed on the NICP were utilized to compute the percentage increase. A 50% increase is also forecast in Other Stock Control Operations. The increase in the functional work for this segment of stock control is based on the requirements for increased document processing, stock record maintenance, demand data accumulation and the overall increase in actions associated with adjustments, denials, receipts and issues.

11. Training. Functional work performed includes formal on-site training of supply management personnel in supply management operations, including those personnel serving as instructors. No recurring increase was forecast under a vertical supply management system, although a one-time program may be required for TRADOC/FORSCOM Installation Supply Division personnel.

12. Supply Management Operations Support. Man-hours and costs associated with this function are attributable to overall supervision, clerical, service support and special program effort applicable to NICP central supply mission operations but not identified to other specific cost accounts. Within a vertical stock fund and supply management environment a 10% increase was forecast in this function because of the overall increase in scope of NICP functional responsibilities.

13. Figure 16 lists the Army Management Structure functions for AMC NICP Supply Management Operations and the percentage factors which were applied to each function to determine the increases in personnel resources and costs under the vertical stock fund and supply management concept. No decreases were forecast to any functional work effort.

AMC COMMODITY COMMANDS		VERTICAL SUPPLY MANAGEMENT PERCENT INCREASE
<u>FUNCTION</u>		
Cataloging Direction		0%
Procurement Direction		5%
Distribution Management		50%
Rebuild and Repair Direction		10%
Disposal Direction		10%
Requirements Computation		25%
Interservice Supply Support		0%
Supply Technical Assistance		0%
Cataloging		0%
Stock Control		
Requisition Processing		50%
Other Stock Control Operations		50%
Training		0%
Supply Management Operations Support		10%

Figure 16. AMC Wholesale Supply Management Functional Analysis

(2) Intermediate (Installation) Level.

(a) Horizontal (current) Supply Management.

1. Intermediate level supply management of stock funded items at TRADOC/FORSCOM CONUS installations is a responsibility of the Director of Industrial Operations (DIO). To perform the supply management functions, there is an Installation Supply Division under the staff supervision of the DIO. The standard installation supply organization is depicted in Figure 17. Although local commanders are authorized to change organization configuration, the current basic functions performed by each element within the ISD remain the same.

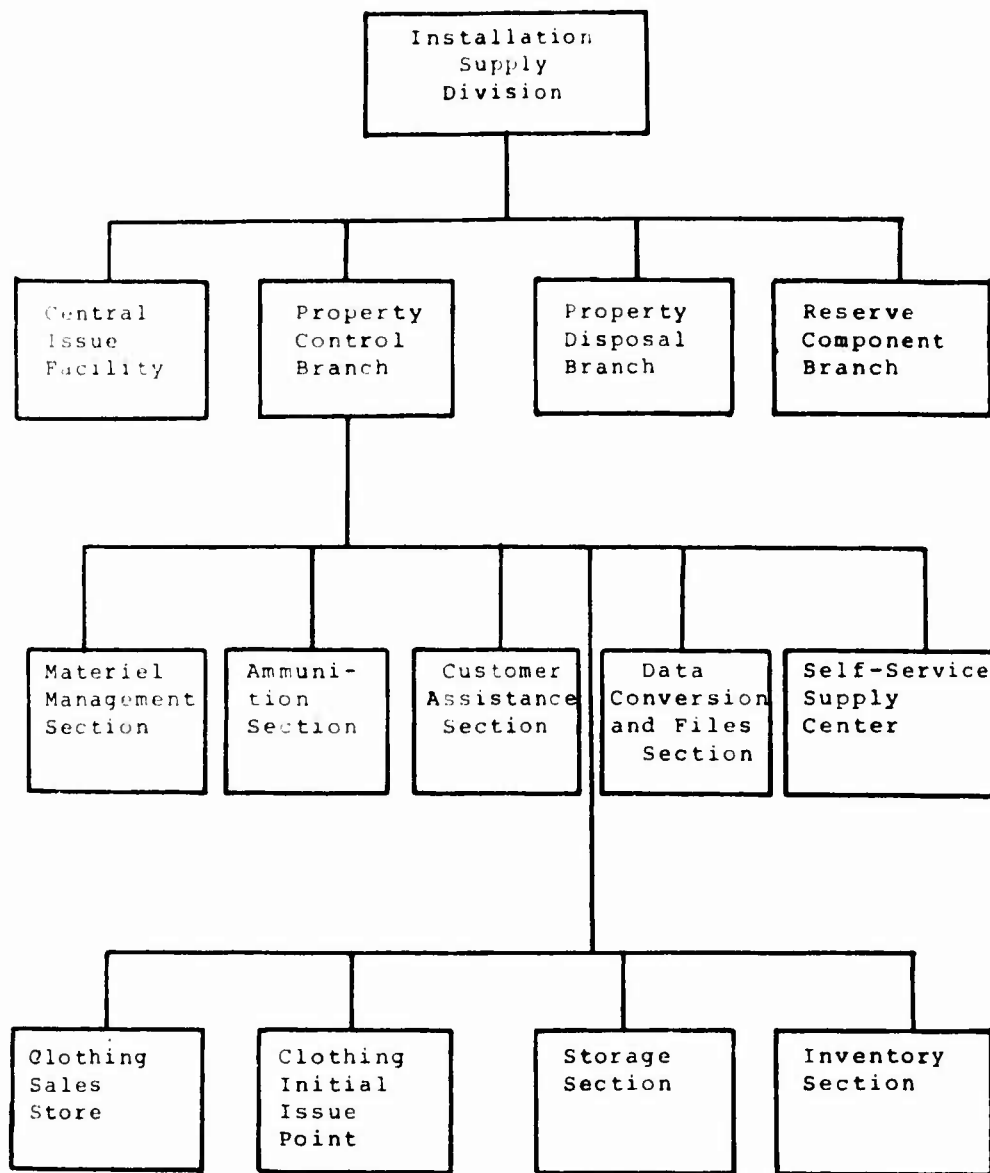


Figure 17. Standard Installation Supply Division

Functions performed by the ISD pertaining to installation level supply management of AMC, DSA, GSA and other military services stock funded items are:

- ° Implementation of regulatory policies to establish the range of stocks and requisitioning objectives.
- ° Computation of requisition objectives.
- ° Preparation of stock control studies and stock status reviews.
- ° Replenishment requisitioning.
- ° Processing customer supply requests and provision of status.
- ° Requisition control.
- ° Customer assistance.
- ° Supply performance evaluation.
- ° Contingency supply planning.
- ° Preparation and processing of local purchase requests.
- ° Property control functions of receipt, storage, classification, inventory, maintenance, issue and disposition of material.
- ° Excess reporting and disposition of excess.
- ° Physical inventory direction.
- ° Materiel category structure code accounting.
- ° Operation and supervision of installation consolidated supply activities.
- ° Operates as a Direct Support Unit (DSU).

2. Reports prepared at the Intermediate level are those prescribed by DA regulations and those produced by the management information systems employed; BASOPS Supply Subsystem and Standard Army Intermediate Level Supply Subsystem (SAILS). Daily and weekly reports are prepared for management and operational purposes. Monthly and quarterly reports are required by higher authority and/or for installation management purposes. Principal reports are:

<u>REPORTS CONTROL</u> <u>SYMBOL</u>	<u>REPORT TITLE</u>	<u>FREQUENCY</u>
AMC-122, 123, 124	Army Equipment Status Report	Monthly
CSGLD-1560	SIMS Demand/Return History File	Monthly
JCS 6-11-2 1-6	Unit Readiness Report	Monthly

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<u>REPORTS CONTROL SYMBOL</u>	<u>REPORT TITLE</u>	<u>FREQUENCY</u>
ATLG 73	Inventory Management Report	Quarterly
ATLG 74	Supply Effectiveness Report and Narrative Analysis	Quarterly
CSGLD-1438	Quarterly Stratification Report of Secondary Items	Quarterly

(b) Vertical Supply Management. Under the vertical supply management concept the CONUS installation centralized supply management responsibilities are reduced. CONUS installations perform "scaled-down" intermediate level supply management functions for consumer funded GSA, local procured, fringe, Procurement funded secondary and DS type items. There will be a decrease in the overall scope and magnitude of intermediate level supply management functions associated with vertical owned and managed stock fund items.

(c) Horizontal (current) vs Vertical Man-Years for Supply Management. Man-years for supply management at the intermediate level for the current horizontal system and a vertical supply management system are displayed in figure 18. Data for Headquarters TRADOC and installations is listed in Appendix G, Tables G-1 through G-22; for FORSCOM, Appendix H, Tables H-1 through H-20.

COMMAND	HORIZONTAL (MAN-YEARS)	VERTICAL (MAN-YEARS)	DIFFERENCE (MAN-YEARS)
TRADOC			
DIO	640	575	- 65
FORSCOM			
DIO	630	505	-125
COMBINED TOTAL	1,270	1,080	-190

Figure 18. TRADOC/FORSCOM Supply Management Man-Years

(d) Horizontal (current) vs Vertical Personnel Costs for Supply Management. Annual personnel operating costs for supply management under the current horizontal and a vertical concept are displayed in figure 19. Data for Headquarters TRADOC and installations is listed in Appendix G, Tables G-1 through G-22; for FORSCOM, Appendix H, Tables H-1 through H-20.

COMMAND	HORIZONTAL (THOUSAND \$)	VERTICAL (THOUSAND \$)	DIFFERENCE (THOUSAND \$)
TRADOC			
DIO	5,731.3	5,149.6	- 581.7
FORSCOM			
DIO	5,893.6	4,724.4	-1,169.2
COMBINED TOTAL	11,624.9	9,874.0	-1,750.9

Figure 19. TRADOC/FORSCOM Supply Management Personnel Costs

(e) Analysis of Man-Years and Annual Personnel Costs, Horizontal (current) vs Vertical Supply Management.

1. Implementation of Regulatory Policies for Stockage and Requisition Objectives. Under current supply management procedures, stockage range and requisition objectives are established in accordance with AR 710-2, Material Management for Using Units, Support Units and Installations. Implementation of the vertical stock fund and supply management concept will now place responsibility for this function at the wholesale level in coordination with Headquarters TRADOC/FORSCOM and installations. The vertical item manager will calculate the range of stocks and requisition objectives for vertical managed items in coordination with TRADOC/FORSCOM commanders and in accordance with Department of Army policy for supply at the installation level. No decrease is forecast to this function under the vertical supply management concept.

2. Computation of Requisition Objectives (RO). Requisition objectives for Authorized Stockage List items are calculated at each CONUS installation at prescribed intervals. The function will be reduced in scope under a vertical management concept since all RO calculation for vertical managed items will be performed at wholesale level. The ISD will retain the RO calculation responsibility for GSA, Procurement funded secondary and DS type items.

3. Preparation of Stock Control Studies and Stock Status Reviews. This function will also be reduced in scope and magnitude for vertical funded and managed items. The wholesale item manager will perform this function for vertical funded and managed items while the ISD will perform studies and reviews for GSA, Procurement funded secondary, local procured and DS type items.

4. Replenishment Requisitioning. The ISD currently submits replenishment requisitions for Authorized Stockage List items whenever the reorder point is reached. Economic Order Quantities prescribed by AR 710-2 are also considered. The vertical supply management concept will eliminate replenishment requisitions from the installation level for vertical funded and managed items. Stockage to support installation requirements will be positioned at each CONUS installation by the wholesale item manager. The ISD will continue to submit replenishment requisitions for his assigned and responsible items; GSA, Procurement funded secondary and DS type items. The scope and magnitude of this function is reduced.

5. Processing Customer Supply Requests and Providing Status.

This ISD function will continue to be performed under a vertical supply management concept and will increase in scope and magnitude. Requests-for-issue from ISD supported customers will be converted to MILSTRIP requisitions at the ISD. Both a requisition edit and consumer fund control check will be performed. The requisitions will then be forwarded to the wholesale level for fill from either vertical stocks located at the installation or from a wholesale depot. TOE DSU requisitions for GSA, fringe (non-stocked), local procured and Procurement funded secondary items and customer requests for these and DS type items will be edited and processed for fund control by the ISD; and filled or passed to the wholesale supply source. Status will continue to flow from the wholesale supply source through the ISD to supported customers.

6. Requisition Control. To assure customer requisitions for materiel are within the authorized limits established by higher authority the ISD performs a variety of requisition controls. Item controls are applied to control requisitions for mission-essential, sensitive and high dollar value items; items in critical supply, mobilization reserves, DX items and special project stocks. Under a vertical supply management concept these functions will still be required. No decrease in the scope and magnitude of this function is anticipated.

7. Customer Assistance. This function is most important to insure operational readiness and satisfactory supply support performance. Direct coordination is performed by the ISD with the wholesale and local procurement supply sources in matters pertaining to requisitioning, local purchase requests, status and shipment of excess material. Assistance is also provided to units and activities in resolving supply problems including those pertaining to unit Prescribed Load and Authorized Stockage Lists. Continuous liaison is maintained with supported units and activities. Training and assistance is provided as required to expedite supply actions for quick resolution of logistical problems. This function will not decrease in scope and magnitude under a vertical supply management system. Adequate and timely logistical support must be provided by both the current or a vertical supply management system to insure there is no degradation in operational readiness.

8. Supply Performance Evaluation. The ISD is responsible for insuring supply support effectiveness to his supported units and customers. In evaluating supply performance, the ISD considers the supply effectiveness of the wholesale supply sources to the installation and of the ISD to his supported customers. The principal tool utilized in the evaluation of supply performance is the Supply Support Effectiveness Report, RCS ATLOG 74. When required, coordination is accomplished with the wholesale supply source item managers to improve their support to the installation. A vertical stock fund and supply management system will not decrease this function. The concept provides for stock status and reports to TRADOC/FORSCOM concerning supply support for vertical funded and managed items. Although the vertical item manager and wholesale supply source are responsible for providing adequate logistic support, the ISD will still be required to evaluate supply support posture to insure operational readiness.

9. Contingency Supply Support and Planning. In discharging this function under the current supply management system, the ISD requisitions, manages and documents operational projects in support of emergency, mobilization and general war plans. The vertical concept places the wholesale item manager in control and management of operational projects stocks, mobilization and pre-positioned war reserves. Responsibility for stockage levels, geographic distribution, rotation, and item and dollar accountability is at the wholesale level. Stock status is provided to CONUS commanders to insure

adequate readiness posture. TRADOC/FORSCOM will participate in determining stockage levels of these items. The scope and magnitude of this function is reduced under the vertical concept.

10. Preparation and Processing of Local Purchase Requests.

The vertical stock fund and supply management concept provides for consumer funding of local purchase (LP) items and continued performance of the local purchase function at the intermediate level. Personnel resources required to manage the LP function will remain the same under a vertical system. The principal change in the function will be the ISD certification of consumer funds in-lieu-of retail stock funds to perform the local purchase.

11. Property Control. At the intermediate level, this func-

tion encompasses the receipt, storage, classification, maintenance, issue and disposition of all material which is under control of the ISD. This includes stocks at the ISD, Clothing Sales Store, Clothing Initial Issue Point, Self-Service Supply Center, Central Issue Facility and special retail outlets such as the Quick Supply Store. The scope, magnitude and personnel resources required to perform this function remain the same under vertical stock funding and supply management. The ISD operates the storage site for the wholesale supply sources, AMC, DSA, and the other military services, where vertically owned assets are positioned. The ISD will continue to perform property control functions for GSA, local procured, fringe, Procurement funded secondary and DS type items.

12. Excess Reporting and Disposition. Included in this

function are the requirements for reporting, utilization screening, redistribution, retail sale and financial record accounting of excess government property. For stock funded items responsibility for disposal direction is shifted to the wholesale item manager since he has item and dollar accountability for the materiel. The overall scope and magnitude of this function will be reduced under vertical supply management. Coordination of excess property disposition instructions and initial reporting of excess to the wholesale manager will require precise and accurate financial and item accounting measures to assure centralized control and disposition of vertical funded items is maintained at the wholesale level.

13. Physical Inventory Direction. Although this function is

part of property control, special consideration is required under a vertical supply management concept. Inventories of ISD responsible items and wholesale owned assets will be collocated and commingled. Special and cyclic inventories of vertical stocks will be conducted by the installation within the standards prescribed for the wholesale depot system while ISD stocks are under the standards imposed by AR 710-2. Inventory adjustment reports, warehouse refusal reconciliations and required inventories will require close coordination with the wholesale supply source. The overall scope and magnitude of this management function will be reduced, since inventory direction will be prescribed by the wholesale level.

14. Materiel Category Structure Accounting. At the inter-

mediate level, stock fund accounting is performed by line item and dollar amounts within materiel category for retail stock funded items. Inventories are managed by Federal Item Identification Number within materiel category. Since retail stock funded inventories are eliminated under the vertical concept this function will decrease in scope. Some residual materiel category accounting will be required for consumer funded GSA, local procurement, DS type items and vertical stock funded items positioned at the installation level.

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15. Operates and Supervises Installation Consolidated Supply Activities. This function involves determination of stockage levels, stock record accounting, inventory, storage, sale and issue of items at the Self-Service Supply Center, Central Issue Facility, Clothing Sales Store and Clothing Initial Issue Point. Item and dollar accountability for stocks at these activities is transferred to the wholesale manager under the vertical concept. Supply management functions for these activities will continue to be performed by the ISD. Stockage levels will be negotiated between the installation and wholesale supply source. Periodic reports concerning cash sales, financial and line item inventory will be provided to the wholesale level. The scope and magnitude of the function will remain the same under the vertical concept.

16. Operates as a Direct Support Unit. Under current supply management procedures at the installation level the ISD functions as a DSU for those customers not supported by a divisional or non-divisional TOE DSU. All supply management functions performed by the TOE DSU are performed by the ISD in providing direct support to customers. This includes requirements determination, RO calculation, ASL/PLL support, requisition, receipt, store and issue. The vertical stock fund and supply management concept will not change this phase of the installation operation. Stockage levels for this type support will be consumer funded and managed by the ISD. No decrease is forecast for this function under vertical stock funding and supply management.

17. Figure 20 lists TRADOC/FORSCOM DIO Installation Supply Division functions which increase, decrease or remain equal under the vertical stock fund and supply management concept at the intermediate level.

VERTICAL SUPPLY MANAGEMENT SCOPE/MAGNITUDE			
	<u>INCREASE</u>	<u>DECREASE</u>	<u>EQUAL</u>
DIO (Installation Supply Division):			
<u>FUNCTION</u>			
° Regulatory Policies for Stockage and Requisition Objectives			X
° Requisition Objective Computation		X	
° Preparation of Stock Control Studies and Stock Status Review		X	
° Replenishment Requisitioning		X	
° Processing Supply Requests and Provision of Status	X		
° Requisition Control			X
° Customer Assistance			X
° Supply Performance Evaluation			X
° Contingency Supply Support and Planning		X	
° Preparation/Processing Local Purchase Requests			X
° Property Control			X
° Excess Reporting/Disposition		X	
° Physical Inventory Direction		X	
° Materiel Category Structure Accounting		X	
° Operation/Supervision of Installation Consolidated Supply Activities			X
° Operation as a Direct Support Unit			X

Figure 20. TRADOC/FORSCOM Intermediate Level Supply Management Functional Analysis

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d. Comparison of ADP Support Under Horizontal and Vertical System Operation.

(1) Wholesale (AMC) Level.

(a) ADP Support Under Horizontal System Management. Wholesale level ADP support to horizontal (current) financial and supply management operations at each of the commodity commands will be accomplished by the DMIS through the standard ALPHA system. Responsibility for central design and programming of the ALPHA system is assigned to the Automated Logistics Management Systems Agency (ALMSA). Horizontal system personnel resources and costs were developed by ALMSA from AVSCOM prototype ALPHA base data and applied proportionately to the other commodity commands. The standard ALPHA system will be fully installed in all AMC commodity commands during FY 75.

(b) ADP Support Under Vertical System Management. Wholesale level ADP personnel resources and costs for support to the developed vertical supply and financial management system were also based on the AVSCOM ALPHA base system and applied proportionately to the other commands. Under the vertical stock fund and supply management concept wholesale level financial and supply management responsibilities and scope of operations are increased. To support this functional work increase, DMIS ADP personnel resources and their associated costs also increase.

(c) Horizontal (current) vs Vertical Man-Years for ADP Support. Man-years for ADP support at the wholesale level for the current horizontal financial and supply management system and a vertical financial stock fund and supply management system are displayed in figure 21. Data for each commodity command is listed in Appendix F, Tables F-1 through F-6.

COMMAND	HORIZONTAL (MAN-YEARS)	VERTICAL (MAN-YEARS)	DIFFERENCE (MAN-YEARS)
ARMCOM	59	64	+ 5
AVSCOM	87	94	+ 7
ECOM	57	61	+ 4
MICOM	21	23	+ 2
TACOM	147	159	+12
TROSCOM	12	13	+ 1
COMBINED TOTAL	383	414	+31

Figure 21. AMC ADP Support Man-Years

(d) Horizontal (current) vs Vertical Personnel Costs for ADP Support. Annual personnel operating costs for DMIS ADP support at the wholesale level for the current horizontal financial and supply management systems and a vertical financial stock fund and supply management system are displayed in figure 22. Data for each commodity command to include equipment and supply costs is listed in Appendix F, Tables F-1 through F-6.

COMMAND	HORIZONTAL (THOUSAND \$)	VERTICAL (THOUSAND \$)	DIFFERENCE (THOUSAND \$)
ARCOM	646.9	701.8	+ 54.9
AVSCOM	954.0	1,030.7	+ 76.7
ECOM	625.0	668.9	+ 43.9
MICOM	230.3	252.2	+ 21.9
TACOM	1,611.9	1,743.4	+131.5
TROSCOM	131.6	142.5	+ 10.9
COMBINED TOTAL	4,199.7	4,539.5	+339.8

Figure 22. AMC ADP Support Personnel Costs

(e) Analysis of Man-Years and Personnel Costs, Horizontal vs Vertical System ADP Support. Both the horizontal and vertical system ADP support man-years and associated operating costs were derived from AVSCOM ALPHA base data and applied proportionately to the other commodity commands. Equipment capabilities and personnel resources as defined in the ALPHA standard configuration management system were considered. The developed vertical concept and its effect upon financial and supply management functional operations was utilized as the basis for projecting ADP resource and cost estimations at each commodity command. Consideration was also given to non-ALPHA bridging and stand-alone systems which are unique at each commodity command. Personnel requirements were for DMIS ADP technical personnel at the commodity commands and do not include ALMSA central design functional and system analysts. The 31 additional personnel and \$339,800 costs support the overall increase in AMC financial and supply management functional responsibilities under the vertical stock fund and supply management concept.

(2) Intermediate (Installation) Level.

(a) ADP Support Under Horizontal System Management. Intermediate or installation level ADP support to horizontal (current) financial and supply management operations is provided by the Management Information Systems Office (MISO) at each CONUS installation. Central design and programing of the Base Operating System (BASOPS) and Standard Army Intermediate level System (SAILS) for financial and supply operations at the installation level is a responsibility of the US Army Computer Systems Command. Horizontal system personnel resources and associated costs were developed by the MISO at each CONUS installation.

(b) ADP Support Under Vertical System Management. Installation level ADP personnel and costs for support to the developed vertical supply and financial management system were also developed by each CONUS installation MISO. The developed vertical system reduces overall intermediate level supply management responsibilities and increases functional responsibilities and personnel resources in the DIO and Comptroller for stock fund financial management. MISO ADP support personnel and associated costs are estimated to be the same for horizontal or vertical system operation.

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(c) Horizontal (current) vs Vertical Man-Years for ADP Support. Man-years for ADP support at the intermediate level for the current horizontal financial and supply management system and a vertical financial stock fund and supply management system are displayed in figure 23. Data for Headquarters TRADOC and installations is listed in Appendix G, Tables G-1 through G-22; for FORSCOM, Appendix H, Tables H-1 through H-20.

COMMAND	HORIZONTAL (MAN-YEARS)	VERTICAL (MAN-YEARS)	DIFFERENCE (MAN-YEARS)
TRADOC	48	48	0
FORSCOM	41	41	0
COMBINED TOTAL	89	89	0

Figure 23. TRADOC/FORSCOM ADP Support Man-Years

(d) Horizontal (current) vs Vertical Operating Costs for ADP Support. Annual personnel operating costs for ADP support at the intermediate level for the current horizontal financial and supply management system and a vertical financial stock fund and supply management system are displayed in figure 24. Data for Headquarters TRADOC and installations is listed in Appendix G, Tables G-1 through G-22; for FORSCOM, Appendix H, Tables H-1 through H-20.

COMMAND	HORIZONTAL (THOUSAND \$)	VERTICAL (THOUSAND \$)	DIFFERENCE (THOUSAND \$)
TRADOC	518.6	518.6	0
FORSCOM	423.2	423.2	0
COMBINED TOTAL	941.8	941.8	0

Figure 24. TRADOC/FORSCOM ADP Support Personnel Costs

(e) Analysis of Man-Years and Personnel Costs Horizontal vs Vertical System ADP Support. The installation MISO provides ADP technical and local system support for three broad functional areas; financial, supply and personnel management. This support includes operation of a data service center, management of local installation programs and running the centralized program applications for supply (BASOPS/SAILS), finance (STANFINS), and personnel (SIDPERS). Under the developed vertical concept, intermediate level responsibilities and personnel requirements for supply management are reduced while increases are forecast in functional responsibilities and personnel resources in the DIO and Comptroller for stock fund financial management. No increases or decreases are forecast for MISO personnel resources and costs under a vertical stock fund and supply management system. MISO ADP support is still required for maintenance and operation of the centralized financial, supply and personnel program applications and local system programs.

e. Total Man-Years and Personnel Costs, Horizontal vs Vertical Stock Fund and Supply Management.

(1) Man-years and personnel costs for annual operation of the current horizontal or command channel stock fund and supply management system versus the hypothesized vertical stock fund and supply management system in AMC, TRADOC, and FORSCOM are displayed in figures 25 and 26. Both the man-years and personnel costs represent composite data for the functional areas of stock fund financial and supply management; and ADP support to both supply and financial management operations. Resource and cost data are for FY74 operations.

LEVEL	FUNCTION	HORIZONTAL (MAN-YEARS)	VERTICAL (MAN-YEARS)	DIFFERENCE (MAN-YEARS)
Wholesale AMC	Financial Mgt	224	240	+ 16
	Supply Mgt	2,942	3,554	+612
	ADP Support	383	414	+ 31
	TOTAL	3,549	4,208	+659
Retail TRADOC/ FORSCOM	Financial Mgt	327	402	+ 75
	Supply Mgt	1,270	1,080	-190
	ADP Support	89	89	0
	TOTAL	1,686	1,571	-115
COMBINED TOTAL		5,235	5,779	+544

Figure 25. AMC/TRADOC/FORSCOM Horizontal vs Vertical System Man-Years

LEVEL	FUNCTION	HORIZONTAL (THOUSAND \$)	VERTICAL (THOUSAND \$)	DIFFERENCE (THOUSAND \$)
Wholesale AMC	Financial Mgt	2,685.3	2,875.7	+ 190.4
	Supply Mgt	45,063.8	54,437.9	+9,374.1
	ADP Support	4,199.7	4,539.5	+ 339.8
	TOTAL	51,948.8	61,853.1	+9,904.3
Retail TRADOC/ FORSCOM	Financial Mgt	3,710.7	4,498.9	+ 788.2
	Supply Mgt	11,624.9	9,874.0	-1,750.9
	ADP Support	941.8	941.8	0
	TOTAL	16,277.4	15,314.7	- 962.7
COMBINED TOTAL		68,226.2	77,167.8	+8,941.6

Figure 26. AMC/TRADOC/FORSCOM Horizontal vs Vertical System Personnel Costs

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(2) To operate the vertical stock fund and supply management system in CONUS there will be a net requirement for 544 additional personnel at an annual cost of \$8.9 million.

f. Other Costs and Functional Impacts. The \$8.9 million additional costs for operation of a vertical stock fund and supply management system in CONUS represent only annual personnel operating costs. Other cost areas which will impact substantially on Army, other services and agencies resources are:

- ° System Software Design. At both the wholesale and retail or base management levels, standard interfacing supply and financial processes are required for operation of a vertical stock fund and supply management system. This would include the Army, DSA and the military services. Current configuration management at the AMC wholesale level is predicated on the ALPHA system for supply and financial applications at the commodity commands and SPEDEX for the AMC depot system. At the intermediate or CONUS installation level, SAILS is the DA adopted standard system for supply and supply related financial management processes; while STANFINS is the standard system for financial management. Long lead times and substantial system development costs may be incurred for modifications of these systems for integrated operation within a vertical management environment.
- ° System Hardware Configuration and Telecommunication Requirements. Concurrent with the design of standard interfacing systems at the wholesale and intermediate or installation levels, the requirement may also exist for additional computer capacity, advanced peripheral equipment and telecommunication systems. At both the AMC wholesale level and TRADOC/FORSCOM installation level ADP equipment is configured, purchased or leased for certain time spans. For example, the IBM 360-65 is considered the standard equipment system at the AMC Commodity Commands for ALPHA processing. System design technology and/or computer capacity may dictate changes in computer system configuration. Advanced and dedicated telecommunications system may also be required. Costs for these required changes may be considerable.
- ° Operations and Maintenance Army (O&MA) Appropriations. Conversion to a vertical stock fund and supply management system within the parameters of the developed vertical concept will also require additional O&MA appropriations. The fiscal accounting procedures for system conversion and operation would be developed by DOD and approved by Congress. Inventories and material on-order from the retail stock funds will be de-capitalized and capitalized into the vertical wholesale accounts and the consumer fund accounts of the installations. Vertical stock fund and supply management system operation will require additional O&MA funds to:
 - ° Finance the pipeline.
 - ° Finance the installation inventory for GSA, fringe (non-stocked), and Direct Support type items.

- ° Finance installation inventories of other than GSA items decentralized by the wholesale supply source for local procurement: commissary, laundry and hardware supplies, commercial vehicle repair parts, POL products and printing plant supplies.

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APPENDIX A

TASKING DIRECTIVE

DISPOSITION FORM

For use of this form, see AR 340-13; the proponent agency is The Adjutant General's Office.

REFERENCE OR OFFICE SYMBOL DALO-PLD 16514	SUBJECT Horizontal/Vertical Stock Fund Cost Comparative Analysis
--	---

TO DALO-LEZ-A FROM DALO-PLZ-A DATE 24 MAY 1974 CMT 1
MAJ Best/ef/72915

Request you take action to complete the project described below:

- a. Title: Horizontal/Vertical Stock Fund Cost Comparison.
- b. Project Identification Number: 240605
- c. Purpose: Conduct a comparative analysis to compare the costs of a vertical stock fund versus continuation of the present command channel or horizontal stock fund as currently operated in CONUS. A follow-on comparative analysis will be conducted overseas if required.
- d. LOGMAP Objectives: None (2-8-1 being held in abeyance pending establishment of an Army position on vertical funding).
- e. Background/Description Discussion:
- References:
 - (1) Briefing, Wholesale-Army in the Field Logistics Interface Study, presented to the DCSLOG on 6 Nov 73.
 - (2) AR 37-111, Working Capital Funds - Army Stock Fund Uniform Policies, Principles, and Procedures Governing Army Stock Fund Operations.
 - (3) AR 11-8, Principles, Objectives and Policies of the Army Logistics System.
 - (4) DF, DALO-PLZ-A to CDR, LEA, dated 16 Nov 73, subject as above.
- f. Courses of Action/Technical Approach:
 - (1) Areas of consideration:
 - (a) Resource impact on the wholesale and intermediate levels of the Army logistic and financial structure.
 - (b) The financing of DSA and GSA managed items.
 - (c) Evaluation of the qualitative effects.
 - (2) Technical approach:

DA FORM 2496 1 FEB 63

REPLACES DD FORM 2496, EXISTING SUPPLIES OF WHICH WILL BE ISSUED AND USED UNTIL 1 FEB 63 UNLESS SOONER EXHAUSTED.

GPO : 1969 O - 22-22

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DALO-PLD

SUBJECT: Horizontal/Vertical Stock Fund Cost Comparative Analysis

(a) Develop a vertical stock fund and supply management concept with assumptions/ explanations to compare with the current horizontal (command channel) stock fund and supply management operations.

(b) The cost comparison effort will be accomplished in two phases, Phase I - CONUS, Phase II - Overseas, if required.

(c) A study plan will be developed and submitted to DCSLOG by 30 Jan 74 for approval.

(d) Interviews and field trips to major commands and their installations will be conducted.

(e) The comparative analysis and report preparation will be accomplished by LEA.

g. Administrative Details:

(1) Required date: Preliminary findings by 10 Apr 74.
Final report by August 1974.

(2) DCSLOG Action Officer: Major J. W. Best

(3) DCSLOG Alternate Contact: N/A.

(4) Classification of final product: None, FOR OFFICIAL USE ONLY.


(5) Coordination: Accomplish necessary coordination requirements with the DA staff, major commands, other services and federal agencies. Direct communications are authorized.

(6) Resources:

(a) The DCSLOG action officer will provide DA staff level guidance and assistance in the accomplishment of the task. Primary responsibility for the actual accomplishment of the project is assigned to your Agency.

(b) Any request for additional resources should be submitted to DALO-PLZ-A for approval.

(7) This DF supersedes reference e(4) above.


R. H. THOMPSON
Brigadier General, GS
Director of Logistics Plans,
Operations and Systems

APPENDIX B

REFERENCES

DOD Directives

- 4140.26-D Integrated Materiel Management of Consumable Items
7420.1-D Regulations Governing Stock Fund Operations

DOD Regulations

- 4140.17-M Military Standard Requisitioning and Issue Procedures-MILSTRIP
4140.22-M Military Standard Transaction Reporting and Accounting Procedures-MILSTRAP
7420.1-R Defense Stock Fund Capitalization and De-capitalization Policies

DOD Instructions

- 4140.28-M DOD Item Entry Control Program Technical Review Procedures Manual
4140.37 Asset Knowledge and Control of Secondary Items
7420.11 Chart of Accounts and Financial Reports for Department of Defense Stock Funds
7420.12 Billing, Collection and Accounting for Sales of Materiel from Supply Stock

Army Regulations

- 11-8 Principles and Policies of Army Logistics
37-11 Authorization, Allocation, Accounting and Reporting for the Appropriation "Contingencies, Defense"
37-12 Billing, Collections and Accounting for Sales of Materiel from Supply System Stock
37-13 Economic Analysis and Program Evaluation of Resource Management
37-15 Budget Development and Review
37-20 Administrative Control of Appropriated Funds
37-21 Establishing and Recording of Commitments and Obligations
37-24 Uniform Classification of General Ledger Accounts
37-37 Financial Administration U.S. Army Financial Inventory Accounting and Reporting System
37-100-74 The Army Management Structure

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Army Regulations (Cont)

37-108 General Accounting and Reporting for Finance and Accounting
Offices

37-111 Working Capital Funds-Army Stock Fund Uniform Policies,
Principles, and Procedures Governing Army Stock Fund
Operations

37-152 Status of Funds-Army Stock Fund

708-1 Cataloging and Supply Management Data

708-3 Recording of User Interest

710-1 Centralized Inventory Management of the Army Supply System

710-2 Materiel Management for Using Units, Support Units, and
Installations

710-3 Asset and Transaction Reporting System

710-7 Processing, Control and Technical Edit Procedures

711-5 Army Equipment Reporting System, Unit, Organization, or
Activity Equipment Status Reporting

725-50 Requisitioning, Receipt and Issue System

DA Pamphlets

700-1 Supply Management Reference Books

701-1-1 LOGMAP Objectives

701-1-2 Study Digest

701-1-3 Development and Implementation Digest

Field Manuals

38-1 Logistics Management

38-6 Logistics Management Controls

Technical Manuals

38-711-1 SAILS (General)

38-711-11 SAILS (Financial Management Functions)

AMC Regulations

11-35	Cost and Performance Plan and Report (RCS-207)
18-5, Vol II	Methods and Standards-AMC Systems Management and Control Structure
37-9	Army Materiel Command Division Army Stock Fund Uniform Accounting and Reporting
37-26	U.S. Army Materiel Command Installations Division, Army Stock Fund
37-38	Fiscal Accounting Reports
711-3	Adjustments
711-11	Army Supply Status Reporting of Selected Assets Under CONUS Inventory Control Point Accountability
740-16	Depot Operations-Program Workload Forecasting System
740-17	Physical Inventory

AMC Commodity Command Regulations

TROSCOM Reg 10-1	Organization, Mission and Functions of the U.S. Army Troop Support Command
AVSCOM Reg 10-1	Organization, Mission and Functions of the U.S. Army Aviation Systems Command
MICOM Reg 10-1	Organization, Mission and Functions of the U.S. Army Missile Command
ARMCOM Reg 10-1	Organization, Mission and Functions of the U.S. Army Armament Command
TACOM Reg 10-1	Organization, Mission and Functions of the U.S. Army Tank-Automotive Command

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Memorandums, Studies, Reports and Briefings

<u>Title and Developer</u>	<u>Date</u>
ASD(C), Memorandum for Deputy Assistant Secretary of Defense (SM&S), OASD (I&L), Subject: Review of Serviceable Returns to the Army Stock Fund (Project D73-136), Audit Report Number 399	29 Jun 73
ASD(I&L), Memorandum for Members of Logistics Systems	26 Jul 73
ASD(I&L), Memorandum for the Members of Logistics Systems Policy Committee (LSPC), Subject: Vertical Stock Fund	30 May 72
ASD(I&L), Memorandum for the Secretary of the Army, Subject: Army Acceptance of the Principles of Vertical Management of Supply	16 Jun 73
ASD(SM&S), Memorandum for Deputy Assistant Secretary of Defense (Supply, Maintenance and Services), Subject: Vertical Management of Supply	23 Apr 74
ASD(I&L), Memorandum for The Assistant Secretary of the Army (I&L), Subject: Vertical Management of Supply	28 Jun 74
ASA(I&L), Memorandum for The Chairman, DOD Logistics Systems Policy Committee (LSPC), Subject: LOGPLAN Coverage of Vertical Stock Funds	26 Feb 74
ASA(I&L), Memorandum for Deputy Chief of Logistics, Subject: Army Acceptance of the Principles of Vertical Management of Supply	22 Jun 73
DA ODCSLOG, Memorandum thru Assistant Secretary of the Army (I&L), for The Chairman, Logistics Systems Policy Committee (LSPC), Subject: LOGPLAN Coverage of Vertical Stock Funding	25 Jan 74
Financing of Army Inventory, Task 72-2, Logistics Management Institute	Jun 73
Wholesale-Army in the Field Logistics Interface, U.S. Army Logistics Evaluation Agency	Jun 74
Study of Financial Management and the Stock Fund as They Relate to the Logistics System, HQ Third US Army, Fort McPherson, Georgia	15 Aug 66
The Standardization of DOD Stock Fund Operations Using The USAF Vertical Stock Fund Management Concept -- A Student Thesis by: Captains Bruce C. Elwell and Robert Stanovich, USAF, School of Systems and Logistics, Air Force Institute of Technology, Wright-Patterson AFB, Ohio	Aug 69
Survey of USAREUR Financial Operation for ASF/FIA, HQ USAREUR	Oct 72

<u>Title and Developer</u>	<u>Date</u>
GAO Draft Report to Congress of the United States, Department of Defense Stock Funds - Accomplishments and Problems	May 73
Direct Support System - DSS - Performance Evaluation, U.S. Army Logistic Control Office - Pacific	31 Mar 73
U.S. Army - LCOP - Command Briefing	1 May 73
USARPAC Army Stock Fund Division Briefing	29 Nov 73
Briefings by the Army, Navy, Air Force, Marines and Defense Supply Agency to the Military Logistics Council (MLC), Subject: Vertical Stock Fund	20 Dec 73 8 Jan 74

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APPENDIX C

VERTICAL STOCK FUND AND SUPPLY MANAGEMENT CONCEPT

The following conceptual applications of a vertical stock fund and supply management system were developed by the ODCSLOG DA staff and USALEA for the purpose of the cost comparison. The systems description was utilized by USAMC, USAFRADOC and USAFORSCOM to determine mission and responsibility changes and their impact upon personnel resources and costs in the functional areas of stock fund financial management, supply management and ADP support to financial and supply management operations for FY74.

C-1 FUNDING

a. The retail stock funds of the major commands will be abolished at CONUS installations and overseas accounts.

b. Assets in the retail stock funds of the CONUS installations and overseas accounts will be de-capitalized and capitalized into the vertical accounts of the NICPs of the military services and DSA; and the consumer fund accounts of the CONUS installations and overseas accounts.

c. The AMCID (AMC retail stock fund for depots) will be eliminated at AMC installations and inventories will be capitalized into the wholesale stock fund or the Army Industrial Fund, as appropriate.

d. GSA, local procurement, fringe (non-stocked) and installation Direct Support type stocks will be consumer funded.

e. All stocks at the DS/GS and unit level will continue to be consumer funded.

f. Depot maintenance stocks will be funded by wholesale stock funds or Army Industrial type funds.

(1) At AMC depots the wholesale stock fund will be reimbursed by OMA funds from MIDA or AIF funding will be utilized.

(2) At overseas depots (maintenance accounting) reimbursement will be by OMA funds as apportioned by the applicable maintenance program. Upon issue of maintenance stocks to the overseas maintenance activity, the overseas command/MIDA will reimburse the vertical stock fund accounts from AIF or OMA, as appropriate.

g. The pipeline (order-ship-time) from the installation and user to the wholesale supply source will be financed with consumer funds.

h. AMC, DSA and the other military services will have both item and dollar accountability and responsibility for the full range of vertically funded and managed items located at Army overseas accounts and CONUS installations

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(includes project stocks, pre-positioned War Reserve, Class I, and Clothing Sales Store stocks). Subsistence and personal clothing distributed through clothing sales outlets and Central Issue Points (reception stations) will be accounted for financially at the wholesale level.

i. Consumer funds will be managed by the CONUS installations and overseas accounts to control dollar value of requisitions submitted. The Command is responsible for over-obligations.

C-2 BUDGETING

a. AMC, DSA and the other military services will budget for wholesale requirements to include vertical stocks at the overseas accounts and CONUS installations.

b. Budgeting and requirements determination information such as mission and force structure changes, flying hour program changes, etc., will be provided by the Department of Army, major command headquarters and/or the CONUS installations to the wholesale supply sources of AMC, DSA, GSA and the other military services.

c. The consumer fund demand forecast will be provided to the wholesale supply sources by the Department of Army or major command.

C-3 BILLING AND REIMBURSEMENT

a. The wholesale stock funds of AMC, DSA and the other military services will be reimbursed by OMA, AIF, OMAR, MAP, Grant AID, etc., as appropriate.

b. Overseas/CONUS installation consumer fund accounts will perform reimbursement to the wholesale supply source based on stock fund billings. Billing will be based on direct shipments from manufacturers or on materiel dropped from inventory at wholesale storage locations in CONUS or overseas. All vertical stock fund billing will be performed by the wholesale supply source.

c. Financial accounting and reimbursement of the vertical stock fund with consumer funds or other end-use appropriations at the CONUS installation and overseas account will be accomplished.

d. Reimbursement and reconciliation will be made by the Comptroller (F&AO) to the vertical stock fund accounts of the wholesale supply sources for consumer or other end-use appropriations.

e. Transfer of stocks from the CONUS wholesale level to overseas/CONUS installation accounts will be treated as storage location transfers within the vertical stock fund, and no reimbursement or billing is required.

f. Financial management and financial transactions at CONUS posts, camps, AMC depots, and overseas accounts will be directed or required by the NICPs.

(1) NICP financial management procedures would remain essentially the same, but would increase in volume.

(2) At the overseas account/CONUS installation level, financial management procedures will include those operations for the vertical and consumer fund accounts.

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g. Billing by the wholesale supply sources for Direct Support System requisitions will continue as is today.

C-4 SUPPLY MANAGEMENT

a. Overseas and CONUS installation centralized supply management responsibilities will be reduced by 75%.

(1) There will be no residual item management by overseas/CONUS installations of vertical stock funded inventories.

(2) Overseas/CONUS installation supply activities will perform both DS type supply management and intermediate level supply management functions for GSA, local procured, fringe (non-stocked), Procurement funded secondary and Direct Support type items.

b. Requisitions will be processed to the wholesale supply sources who will release stocks using the military standard techniques now used to release stocks in CONUS depots (MRO/MPC, etc.).

(1) Requisitions or mirror images of requisitions will be processed through the CONUS Installation Supply Division and funding control activity or overseas account for requisition edit and financial program control and then to the NICPs for supply action.

(2) ICPs will process all transactions (requisitions, excess, MRO, etc.), except for emergency issues, where post/post transaction accounting will be accomplished.

c. Overseas commanders and installation commanders retain limited authority to release stocks under certain circumstances (emergency) with ICP records post-posted.

(1) Overseas/installation commanders have authority to issue stocks in emergency with the issue/release post-posted to ICP accountable records.

(2) The Department of Army will establish and announce criteria for emergency issues from local inventories without consultation with the ICP accountable officer. These procedures will apply where national emergency and/or health and welfare considerations dictate.

d. ICPs will assume responsibility for distribution of stocks into each geographical area/theater to assure adequate pre-positioned war reserves, project stocks, mobilization reserves and operating/safety level stocks.

(1) ICPs will accumulate their own transaction data for supply and financial management purposes.

(2) National managers assume supply management responsibilities for positioning/balancing stocks.

(3) Stock status will be provided to overseas and CONUS commanders for readiness posture determinations.

(4) Theater/CONUS commanders will participate in determining war reserves and project stock levels.

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e. SIMS-X procedures will be modified to accommodate the vertical stock fund concept.

(1) Under SIMS-X, the wholesale supply source has visibility and control of selective secondary items stocked in the retail commands.

(2) Under the vertical supply management concept, the wholesale supply source will have complete item visibility for the full range of vertical stock funded items located at the intermediate level.

f. Direct Support System (DSS) procedures will apply (Classes II, III Packaged, IV and IX).

(1) Overseas depot and CONUS installation stockage levels will be reduced as called for under the DSS concept.

(2) DSS requisitions will flow from the Direct Support Unit or Installation Direct Support Activity through the installation for edit and program control, then to the wholesale supply source for fill.

C-5 OTHER

a. Overseas supply distribution activities will be tenant activities under the command of USAMC and will provide services (storage) to DSA and the other services on a reimbursable basis.

b. CONUS installations will operate the storage site for the ICPs of AMC, DSA and the other military services.

APPENDIX D

ESSENTIAL ELEMENTS OF ANALYSIS
FOR STOCK FUND FINANCIAL AND SUPPLY MANAGEMENT COSTS

D-1. Number of man-years and costs of personnel involved in stock fund financial management operations for the current horizontal (command channel) stock fund and a vertical stock fund. Level of application:

a. Wholesale (AMC) Level

- (1) Division of Army Stock Fund - HQ AMC
- (2) Home Office - HQ AMC
- (3) Sub Home Office - AMC Commodity Commands

b. Retail (TRADOC/FORSCOM) Level

- (1) Division - HQ TRADOC/FORSCOM
- (2) Home Office - HQ TRADOC/FORSCOM
- (3) Branch - TRADOC/FORSCOM Installations

D-2. Reports prepared associated with stock fund financial management operations (accounting, budget determination and review, inventory stratification, management, and narrative analysis). Level of application:

a. Wholesale Level

- (1) Home Office - HQ AMC
- (2) Sub Home Office - AMC Commodity Commands

b. Retail Level

- (1) Home Office - HQ TRADOC/FORSCOM
- (2) Branch - TRADOC/FORSCOM CONUS Installations

D-3. Number of man-years and cost of personnel involved in supply management of stock funded items for the current horizontal and a vertical supply management system. Level of application:

a. Wholesale Level - AMC Commodity Commands

b. Intermediate Level

- (1) HQ TRADOC/FORSCOM DCSLOG

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(2) TRADOC/FORSCOM CONUS Installations

(Director of Industrial Operations - Installation
Supply Division)

D-4. Reports prepared associated with supply management of stock funded items (supply effectiveness, inventory management and stratification). Level of application:

- a. Wholesale Level - AMC Commodity Commands
- b. Intermediate Level - TRADOC/FORSCOM CONUS Installations

D-5. Number of man-years and cost of personnel involved in providing automatic data processing support to financial and supply management operations for stock funded items. Level of application:

- a. Wholesale Level - AMC Commodity Commands Directorate of Management Information Systems
- b. Retail Stock Fund and Intermediate Supply Level - TRADOC/FORSCOM CONUS Installations Management Information Systems Office

APPENDIX E

ACTIVITIES VISITED/PERSONNEL CONTACTED

1. Activities Visited:

Office of Secretary of Defense	Comptroller
Department of Air Force	Deputy Chief of Staff for Systems and Logistics
Defense Supply Agency	Comptroller
Assistant Secretary of the Army	Installation and Logistics
	Financial Management
US Army Audit Agency	
DA DCSLOG	Director of Plans, Operations and Systems
	Director of Supply and Maintenance
	Director of Army Stock Fund
Comptroller of the Army	
HQ AMC	Directorate - Management Information Systems (DMIS)
	Directorate of Supply
	Comptroller
USALMSA	Directorate of Materiel Management (DMM)
ARMCOM	Directorate of Materiel Management
	Comptroller
	Directorate - Management Information Systems (DMIS)
AVSCOM	Directorate of Materiel Management
	Comptroller
	Directorate - Management Information Systems

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ECOM	<p>Directorate of Materiel Management</p> <p>Comptroller</p> <p>Directorate - Management Information Systems</p>
MICOM	<p>Directorate of Materiel Management</p> <p>Comptroller</p> <p>Directorate - Management Information Systems</p>
TACOM	<p>Directorate of Materiel Management</p> <p>Comptroller</p> <p>Directorate - Management Information Systems</p>
TROSCOM	<p>Directorate of Materiel Management</p> <p>Comptroller</p> <p>Directorate - Management Information Systems</p>
HQ FORSCOM	<p>DCSLOG</p> <p>Comptroller</p> <p>Directorate - Management Information Systems (DMIS)</p>
HQ TRADOC	<p>DCSLOG</p> <p>Comptroller</p> <p>Directorate - Management Information Systems</p>
Fort McPherson, GA	<p>Director of Industrial Operations (DIO)</p> <p>Comptroller</p> <p>Management Information Systems Office (MISO)</p>
Fort Carson, CO	<p>Director of Industrial Operations</p> <p>Comptroller</p> <p>Management Information Systems Office</p>
Fort Bragg, NC	<p>Director of Industrial Operations</p>

Fort Bragg, NC (cont)

Comptroller

Management Information Systems Office

Fort Campbell, KY

Director of Industrial Operations

Comptroller

Management Information Systems Office

Fort Eustis, VA

Director of Industrial Operations

Comptroller

Management Information Systems Office

Fort Knox, KY

Director of Industrial Operations

Comptroller

Management Information Systems Office

Fort Benning, GA

Director of Industrial Operations

Comptroller

Management Information Systems Office

New Cumberland Army Depot

AMC Catalog Data Agency

Comptroller

Logistics Management Institute

2. Personnel Contacted:

Office of Secretary of Defense

Comptroller:

Mr. Joseph T. Franklin

Department of Air Force

Deputy Chief of Staff for Systems
and Logistics:

COL McRae

LTC Gomez

Mr. Shafer T. Day

Mr. Kermit Starr

Air Force Logistics Systems Command:

Mr. William Geiger

Mr. Art Sarris

Defense Supply Agency

Comptroller:

Mr. Robert Bordley

Mr. Paul Jones

Mr. Charles Sharp

Mr. M. Dargan

Assistant Secretary of the
Army

Installations and Logistics:

Mr. Howard Mactingly

COL Thomas L. Stovall

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Assistant Secretary of the
Army (cont)

US Army Audit Agency

DA DCSLOG

Comptroller of the Army

HQ AMC

USALMSA

Financial Management:

Mr. John F. Wallace

Mr. Richard May
Mr. Paul McGrath
Mr. Charles Haines

COL Wall
COL Sheldon
COL Sanders
COL Hayes
LTC Best
LTC Conzelman
LTC Goodsite
MAJ Neal
MAJ Malo
Mr. W. Smith
Mr. J. Herring
Mr. H. Johnson
Mr. W. Murphy
Mr. C. Hanzlik
Mr. R. Callen

Mr. Al Liebowitz
Mr. Jim Beasley

Directorate of Supply:

COL Wm. Strong
COL Jozef Senna
LTC D. Jones
Mr. Jim O'Donnell
Ms. Nancy Rosenkrans
Mr. A. W. Alexander
Mr. Stephen C. Pratt
Mr. Arthur I. Sager
Mr. Robert E. Frye
Mr. A. Columbus
Mr. Joe Anderson
Mr. Gravelly
Mr. Finlayson
Mr. Oliver
Ms. Adriana I. Cipolla

Comptroller:

Mr. Sam Simkin
Mr. Jim Toler
Mr. John Olenik
Mr. Ed Scipio

Directorate - Management Information

Systems (DMIS):
Mr. Bob Stimac
Mr. Sid Corbett
Mr. Herb Mitchell
Mr. Richard Farmer

Directorate of Materiel Management:

COL C. L. Smith
Maj Lawson

USALMSA (Cont)

Mr. H. W. Rojewski
Mr. E. Hoff
Mr. B. Albevs
Mr. E. Wilks
Mr. J. Cotteau
Mr. Joe Cottone
Ms. J. Johnson
Mr. E. W. Hoff
Mr. C. Ferguson
Ms. S. McLemore
Mr. A. Salamon
Mr. G. McCreary
Mr. R. Stevenson
Ms. A. Nurre
Mr. R. Warqin
Mr. W. Albers
Mr. P. Marchand

ARMCOM

Directorate of Materiel Management:
Mr. R. L. Larson
Mr. Buzz Sweeney
Mr. W. H. Gruenwald

Comptroller
Mr. Bill Lyons

Directorate - Management Information
Systems:
Mr. Cliff L. Harrell

AVSCOM

Directorate of Materiel Management:
Mr. B. Howard
Mr. J. Moro
Mr. Charles Markowitz
Ms. Callison
Ms. L. Allen
Mr. D. Crannage
Mr. R. Halstead
Ms. P. Daly
Ms. F. Luthe

ECOM

Directorate of Materiel Management:
Mr. Lou Kaplan
Mr. Mel Trachtman
Mr. Tom Soper
Mr. Bob Heagy

Comptroller:
Mr. Gene Garnett
Mr. William Drisch

Directorate - Management Information
Systems:
Mr. Bill Biesel
Mr. Bill Siegmund

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MICOM

Directorate of Materiel Management:

COL Prince
Mr. J. R. Bailey
Ms. Margaret Smith
Mr. Stewart
Mr. Jim Baughan
Mr. F. Ralph
Mr. Ralph French
Mr. Bill Batey
Mr. How O'Dell
Mr. Max Carder
Ms. Taylor
Mr. Earl Davis
Mr. B. Tippins

Comptroller:

Mr. Louis Lanier
Mr. Edgar Rawls
Mr. Bruce MacIlween

Directorate - Management Information
Systems:

Mr. Gary Mann
Mr. Dean Popkins
Mr. Dwayne Kidd
Mr. Austin Couch
Mr. Paul Bumgardner
Mr. Sidney G. Layne
Mr. Wimberly
Mr. Charles Colvard

TACOM

Directorate of Materiel Management:

Ms. Jewel Martin
LTC L. L. Lawson

Comptroller:

Mr. James E. Johnson

Directorate - Management Information
Systems:

Mr. George Francetic

TROSCOM

Directorate of Materiel Management:

Mr. D. Parli
Mr. Ray S. Allen
Mr. F. C. Clarke
Mr. J. Branca

Comptroller:

COL Luper
Mr. A. Meier
Mr. Wm. Tacklenburg
Mr. G. Johnson
Mr. G. Funke
Mr. Campbell
Mr. F. Cauvalet

TROSCOM (Cont)

Directorate - Management Information
Systems:
Mr. Victor F. Emnett

HQ FORSCOM

DCSLOG:
COL Smith
Mr. Howard F. Lennard
Mr. Leonard Durden
Mr. Spivey
Mr. Rufus Oliver

Comptroller:
Mr. Hunt
Mr. Ed Teague
Mr. Frank McCabe
Mr. Art Luscombe
Ms. Barbara Wegner
Ms. Francis Saunders
Mr. J. A. Anderson
Mr. Bill O'Brien

Directorate - Management Information
Systems:
Mr. Fred Ayash

HQ TRADOC

DCSLOG:
COL Buchanan
LTC Graham
Mr. Gibson
Mr. Jordan
Mr. Barer
Ms. Gooding

Comptroller:
Mr. Wilkinson
Mr. Jim Radiak
Mr. Al Lewis
Mr. Roland Junker
Mr. Al Leslie

Directorate - Management Information
Systems:
Mr. George Christman
Mr. Ben Howard
CPT Gibson

Fort McPherson, GA

Directorate of Industrial Operations:
LTC Riley
CPT Sieveis
Mr. Bill Emerson

Comptroller:
Mr. Bryan
Mr. Anderson
Ms. Georgia Moore
Mr. Cline

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Fort McPherson, Ga (Cont)

Management Information Systems Office:

MAJ Dave Chappel
CWO Forbes
Mr. Miller
Ms. Jackson

Fort Carson, CO

Director of Industrial Operations:

LTC Wm Moses
Mr. B. Moeder
Mr. S. Hill
Mr. Guy Seiderman
Mr. G. Cunningham
Mr. R. Anderson
Mr. J. Byers

Comptroller:

Ms. R. Deléhart

Fort Bragg, NC

Director of Industrial Operations:

Mr. Guy Woodward
COL W. H. Cooper
Mr. R. J. White
Mr. G. Kelly

Comptroller:

Mr. Jepperson
Ms. Irene Moody
Mr. John McQueen
Ms. Cornelia Blue

Management Information Systems Office:

Mr. Joe Melvin
Mr. J. C. Faircloth

Fort Campbell, KY

Director of Industrial Operations:

Mr. C. L. Cole
Ms. E. Allison
Mr. E. Allison
Ms. L. Dunn
Mr. Lawson

Fort Eustis, VA

Director of Industrial Operations:

LTC Needles
Ms. Oakes
Mr. Silvent
Ms. Shirley White
Mr. Brown

Comptroller:

MAJ Hampton
Mr. T. Simpson

Fort Knox, KY

Director of Industrial Operations:

Ms. Walters
Mr. Jonny Hollaway
Mr. Jessye Coppersmith
Mr. Wayne Lott
Ms. Daisy Colfman

Fort Cox, KY (Cont)

Comptroller:
LTC Shugart
Mr. Marvin Hawk

Fort Benning, Ga

Director of Industrial Operations:
COL H. E. Hutcheson
Mr. W. J. Abell
Mr. Frances M. Carter
Mr. Dock Slaughter
Ms. Monetta Donaldson
Mr. John C. Royer
Mr. William Sykucki

Comptroller:
Mr. N. Marley
Mr. Otto Chitwood
Mr. Howard Barr

Management Information Systems Office:
Mr. John J. Passarella
Mr. Robert P. Bollinger

New Cumberland Army Depot

AMC Catalog Data Agency:
Mr. Robert Kline
Mr. Hal Wernick

Comptroller:
Mr. Charles O'Donnell
Mr. Sistillio P. Castelli
Mr. Andrew J. Gaydos
Mr. Lewis
Mr. Shepherd
Mr. Shenk

Logistics Management
Institute

Mr. Frank Reynolds

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APPENDIX F

SUMMARY OF USAMC RESOURCE AND COST DATA-FY74

Tables F-1 through F-6 provide a summary of AMC resource and cost data for each commodity command in the functional areas of financial and supply management for stock fund items; ADP support for stock fund financial and supply management operations; associated ADP equipment and supply costs; and total man-years and related personnel costs for annual operation of the current Horizontal Stock Fund and Supply Management System and a Vertical Stock Fund and Supply Management System.

Personnel resource and cost data for financial management operations is applicable to the Office of the Comptroller; for supply management operations, the Directorate of Materiel Management, and for ADP support, the Directorate for Management Information Systems.

TABLE F-1. Summary of Armament Command Resource and Cost Data

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
Financial Management	20	\$ 196,900	22	\$ 216,590
Supply Management	381	6,023,610	454	7,177,740
ADP Support	59	646,935	64	701,760
ADP Equipment		158,200		197,100
ADP Supplies		102,600		124,700
Total Man-Years and Related Personnel Cost for Armament Command	460	\$6,867,445	540	\$8,096,090

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TABLE F-2. Summary of Aviation Systems Command Resource and Cost Data

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
Financial Management	40	\$ 433,680	42	\$ 455,364
Supply Management	696	10,687,776	850	13,052,600
ADP Support	87	953,955	94	1,030,710
ADP Equipment		232,600		286,000
ADP Supplies		150,900		181,500
Total Man-Years and Related Personnel Cost for Aviation Systems Command	823	\$12,075,411	986	\$14,538,674

TABLE F-3. Summary of Electronics Command Resource and Cost Data

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
Financial Management	43	\$ 533,974	45	\$ 558,810
Supply Management	457	6,121,058	546	7,313,124
ADP Support	57	625,005	61	668,865
ADP Equipment		151,200		188,800
ADP Supplies		98,100		119,300
Total Man-Years and Related Personnel Cost for Electronic Command	557	\$7,280,037	652	\$8,540,799

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TABLE F-4. Summary of Missile Command Resource and Cost Data

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
Financial Management	30	\$ 426,780	32	\$ 455,232
Supply Management	366	5,794,878	443	7,014,019
ADP Support	21	230,265	23	252,195
ADP Equipment		55,800		74,500
ADP Supplies		36,200		46,500
Total Man-Years and Related Personnel Cost for Missile Command	417	\$6,451,923	498	\$7,721,446

TABLE F-5. Summary of Tank Automotive Command Resource and Cost Data

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
Financial Management	50	\$ 584,800	55	\$ 643,280
Supply Management	599	9,210,224	736	11,316,736
ADP Support	147	1,611,855	159	1,743,435
ADP Equipment		393,100		477,900
ADP Supplies		255,100		304,000
Total Man-Years and Related Personnel Cost for Tank Automotive Command	796	\$11,406,879	950	\$13,703,451

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TABLE F-6. Summary of Troop Support Command Resource and Cost Data

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
Financial Management	41	\$ 509,138	44	\$ 546,392
Supply Management	443	7,226,216	525	8,563,800
ADP Support	12	131,580	13	142,545
ADP Equipment		32,600		47,100
ADP Supplies		21,100		28,800
Total Man-Years and Related Personnel Cost for Troop Support Command	496	\$7,866,934	582	\$9,252,737

APPENDIX G

SUMMARY OF TRADOC RESOURCE AND COST DATA-FY74

Tables G-1 through G-22 provide a summary of TRADOC resource and cost data in the functional areas of financial and supply management for stock fund items; ADP support for stock fund financial and supply management operations; and total man-years and related personnel costs for annual operation of the current Horizontal Stock Fund and Supply Management System and a Vertical Stock Fund and Supply Management System.

Personnel resource and cost data for financial management operations is applicable to the Office of the Comptroller and the Headquarters DCSLOG/Installation Director of Industrial Operations (DIO); for supply management operations, the DIO; and for ADP support, the Management Information Systems Office (MISO).

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TABLE G-1. Summary of Headquarters TRADOC Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DCSLOG	4.5	\$ 66,227	6.7	\$ 98,604
Comptroller	9.2	111,624	9.0	109,197
<u>Supply Management</u>				
DCSLOG	10.5	154,529	9.5	139,812
<u>ADP Support</u>				
MISO	0.7	5,543	0.7	5,543
Total Man-Years and Related Personnel Cost for TRADOC Headquarters	24.9	\$337,923	25.9	\$353,156

TABLE G-2. Summary of Carlisle Barracks Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	1.2	\$13,158	1.8	\$19,737
Comptroller	1.9	20,834	2.4	26,316
<u>Supply Management</u>				
DIO	3.0	26,577	3.0	26,577
<u>ADP Support</u>				
MISO	0	0	0	0
Total Man-Years and Related Personnel Cost for Carlisle Barracks	6.1	\$60,569	7.2	\$72,630

TABLE G-3. Summary of Fort Belvoir Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	3.7	\$ 54,453	5.4	\$ 79,472
Comptroller	3.0	32,895	3.8	41,667
<u>Supply Management</u>				
DIO	24.0	212,616	21.5	190,469
<u>ADP Support</u>				
MISO	4.0	48,532	4.0	48,532
Total Man-Years and Related Personnel Cost for Fort Belvoir	34.7	\$348,496	34.7	\$360,140

TABLE G-4. Summary of Fort Benjamin Harrison Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	1.8	\$ 24,093	2.7	\$ 36,140
Comptroller	4.1	44,957	5.1	55,922
<u>Supply Management</u>				
DJO	12.5	110,738	11.2	99,221
<u>ADP Support</u>				
MISO	1.5	18,200	1.5	18,200
Total Man-Years and Related Personnel Cost for Fort Benjamin Harrison	19.9	\$197,988	20.5	\$209,483

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TABLE G-5. Summary of Fort Benning Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	1.0	\$ 13,385	1.5	\$ 20,078
Comptroller	5.1	55,922	6.4	70,176
<u>Supply Management</u>				
DIO	87.5	775,163	78.0	691,002
<u>ADP Support</u>				
MISO	4.0	39,496	4.0	39,496
Total Man-Years and Related Personnel Cost for Fort Benning	97.6	\$883,966	89.9	\$820,752

TABLE G-6. Summary of Fort Bliss Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	3.0	\$ 40,155	4.4	\$ 58,894
Comptroller	5.0	54,825	6.3	69,080
<u>Supply Management</u>				
DIO	21.0	186,039	18.8	166,549
<u>ADP Support</u>				
MISO	3.3	36,185	3.3	36,185
Total Man-Years and Related Personnel Cost for Fort Bliss	32.3	\$317,204	32.8	\$330,708

TABLE G-7. Summary of Fort Dix Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	1.0	\$ 16,138	1.5	\$ 24,207
Comptroller	4.1	44,957	5.1	55,922
<u>Supply Management</u>				
DIO	12.0	106,308	10.7	94,791
<u>ADP Support</u>				
MISO	4.0	39,496	4.0	39,496
Total Man-Years and Related Personnel Cost for Fort Dix	21.1	\$206,899	21.3	\$214,416

TABLE G-8. Summary of Fort Eustis Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	0.8	\$ 12,910	1.2	\$ 19,366
Comptroller	4.1	44,957	5.1	55,922
<u>Supply Management</u>				
DIO	28.5	252,482	25.6	226,790
<u>ADP Support</u>				
MISO	4.0	43,860	4.0	43,860
Total Man-Years and Related Personnel Cost for Fort Eustis	37.4	\$354,209	35.9	\$345,938

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TABLE G-9. Summary of Fort Gordon Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	1.9	\$ 18,761	2.7	\$ 26,660
Comptroller	4.0	43,860	5.1	55,922
<u>Supply Management</u>				
DIO	29.5	261,341	26.5	234,764
<u>ADP Support</u>				
MISO	1.3	14,255	1.3	14,255
Total Man-Years and Related Personnel Cost for Fort Gordon	36.7	\$338,217	35.6	\$331,601

TABLE G-10. Summary of Fort Jackson Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	2.5	\$ 40,345	3.7	\$ 59,711
Comptroller	4.8	52,632	6.0	65,790
<u>Supply Management</u>				
DIO	24.0	212,616	21.5	190,469
<u>ADP Support</u>				
MISO	2.0	24,266	2.0	24,266
Total Man-Years and Related Personnel Cost for Fort Jackson	33.3	\$329,859	33.2	\$340,236

TABLE G-11. Summary of Fort Knox Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	2.0	\$ 19,748	3.0	\$ 29,622
Comptroller	7.5	82,238	9.3	101,975
<u>Supply Management</u>				
DIO	55.0	487,245	49.4	437,635
<u>ADP Support</u>				
MISO	0.5	6,067	0.5	6,067
Total Man-Years and Related Personnel Cost for Fort Knox	65.0	\$595,298	62.2	\$575,.

TABLE G-12. Summary of Fort Leavenworth Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	0.9	\$ 13,245	1.3	\$ 19,132
Comptroller	2.0	21,930	2.5	27,413
<u>Supply Management</u>				
DIO	12.5	110,738	11.2	99,221
<u>ADP Support</u>				
MISO	1.8	19,737	1.8	19,737
Total Man-Years and Related Personnel Cost for Fort Leavenworth	17.2	\$165,650	16.8	\$165,503

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TABLE G-13. Summary of Fort Lee Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	3.0	\$ 36,399	4.4	\$ 53,385
Comptroller	6.5	71,273	8.1	88,817
<u>Supply Management</u>				
DIO	20.5	181,610	18.4	163,006
<u>ADP Support</u>				
MISO	2.5	24,685	2.5	24,685
Total Man-Years and Related Personnel Cost for Fort Lee	32.5	\$313,967	33.4	\$329,893

TABLE G-14. Summary of Fort Leonard Wood Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	0.9	\$ 14,524	1.3	\$ 20,979
Comptroller	5.5	60,508	6.9	75,659
<u>Supply Management</u>				
DIO	27.5	243,623	24.7	218,817
<u>ADP Support</u>				
MISO	5.0	54,825	5.0	54,825
Total Man-Years and Related Personnel Cost for Fort Leonard Wood	38.9	\$373,280	37.9	\$370,280

TABLE G-15. Summary of Fort McClellan Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	3.7	\$ 36,534	5.4	\$ 53,320
Comptroller	2.5	27,413	3.1	33,992
<u>Supply Management</u>				
DIO	11.5	101,879	10.3	91,248
<u>ADP Support</u>				
MISO	3.0	32,895	3.0	32,895
Total Man-Years and Related Personnel Cost for Fort McClellan	20.7	\$198,721	21.8	\$211,455

TABLE G-16. Summary of Fort Monroe Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	0.4	\$ 5,354	0.6	\$ 8,031
Comptroller	1.0	10,965	1.2	13,158
<u>Supply Management</u>				
DIO	4.5	39,866	4.5	39,866
<u>ADP Support</u>				
MISO	0.1	1,097	0.1	1,097
Total Man-Years and Related Personnel Cost for Fort Monroe	6.0	\$ 57,282	6.4	\$ 62,152

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TABLE G-17. Summary of Fort Ord Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	2.0	\$ 29,434	3.0	\$ 44,151
Comptroller	5.0	54,825	6.2	67,983
<u>Supply Management</u>				
DIO	40.0	354,360	35.9	318,038
<u>ADP Support</u>				
MISO	1.0	10,965	1.0	10,965
Total Man-Years and Related Personnel Cost for Fort Ord	48.0	\$449,584	46.1	\$441,137

TABLE G-18. Summary of Fort Polk Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	2.0	\$ 29,434	3.0	\$ 44,151
Comptroller	3.8	41,667	4.8	52,632
<u>Supply Management</u>				
DIO	47.0	416,373	42.2	373,850
<u>ADP Support</u>				
MISO	0.8	7,899	0.8	7,899
Total Man-Years and Related Personnel Cost for Fort Polk	53.6	\$495,373	50.8	\$478,532

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TABLE G-19. Summary of Fort Rucker Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	1.5	\$ 22,076	2.2	\$ 32,377
Comptroller	4.2	46,053	5.5	60,308
<u>Supply Management</u>				
DIO	60.5	535,970	54.3	481,044
<u>ADP Support</u>				
MISO	2.3	22,710	2.3	22,710
Total Man-Years and Related Personnel Cost for Fort Rucker	68.5	\$626,809	64.3	\$596,439

TABLE G-20. Summary of Fort Sill Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	1.0	\$ 10,965	1.5	\$ 16,448
Comptroller	4.1	44,957	5.1	55,922
<u>Supply Management</u>				
DIO	85.5	757,445	77.2	683,915
<u>ADP Support</u>				
MISO	5.0	54,825	5.0	54,825
Total Man-Years and Related Personnel Cost for Fort Sill	95.6	\$868,192	88.8	\$811,110

TABLE G-21. Summary of Military District of Washington, US Army, Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	1.0	\$ 19,246	1.5	\$ 28,869
Comptroller	5.9	64,694	7.3	80,045
<u>Supply Management</u>				
DIO	12.5	110,738	11.2	99,221
<u>ADP Support</u>				
MISO	1.1	12,062	1.1	12,062
Total Man-Years and Related Personnel Cost for Military District of Washington	20.5	\$206,740	21.1	\$220,197

TABLE G-22. Summary of United States Military Academy Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	1.0	\$ 9,874	1.5	\$ 14,811
Comptroller	1.9	20,834	2.4	26,316
<u>Supply Management</u>				
DIO	10.5	93,020	9.4	83,275
<u>ADP Support</u>				
MISO	0.1	987	0.1	987
Total Man-Years and Related Personnel Cost for United States Military Academy	13.5	\$124,715	13.4	\$125,389

APPENDIX H

SUMMARY OF FORSCOM RESOURCE AND COST DATA-FY74

Tables H-1 through H-20 provide a summary of FORSCOM resource and cost data in the functional areas of financial and supply management for stock fund items; ADP support for stock fund financial and supply management operations; and total man-years and related personnel costs for annual operation of the current Horizontal Stock Fund and Supply Management System and a Vertical Stock Fund and Supply Management System.

Personnel resource and cost data for financial management operations is applicable to the Office of the Comptroller and the Headquarters DCSLOG/Installation Director of Industrial Operations (DIO); for supply management operations, the DIO; and for ADP support, the Management Information Systems Office (MISO).

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TABLE H-1. Summary of Headquarters FORSCOM Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DCSLOG	8.0	\$107,080	5.0	\$ 73,585
Comptroller	6.0	96,828	2.0	32,276
<u>Supply Management</u>				
DCSLOG	0	0	0	0
<u>ADP Support</u>				
MISO	0	0	0	0
Total Man-Years and Related Personnel Cost for FORSCOM Headquarters	14.0	\$203,908	7.0	\$105,861

TABLE H-2. Summary of Camp Drum Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	2.0	\$ 26,770	1.0	\$ 13,385
Comptroller	4.0	35,436	5.0	44,295
<u>Supply Management</u>				
DIO	16.0	157,984	13.0	128,362
<u>ADP Support</u>				
MISO	2.0	15,836	2.0	15,836
Total Man-Years and Related Personnel Cost for Camp Drum	24.0	\$236,026	21.0	\$201,878

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TABLE H-3. Summary of Camp McCoy Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	2.0	\$ 19,748	11.0	\$108,614
Comptroller	4.0	39,496	5.0	49,370
<u>Supply Management</u>				
DIO	12.0	118,488	10.0	98,740
<u>ADP Support</u>				
MISO	1.0	12,133	1.0	12,133
Total Man-Years and Related Personnel Cost for Camp McCoy	19.0	\$189,865	27.0	\$268,857

TABLE H-4. Summary of Fort Bragg Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	5.0	\$ 54,825	8.0	\$ 87,720
Comptroller	13.0	128,362	15.0	148,110
<u>Supply Management</u>				
DIO	56.0	552,944	45.0	444,330
<u>ADP Support</u>				
MISO	2.3	24,664	2.3	24,664
Total Man-Years and Related Personnel Cost for Fort Bragg	76.3	\$760,795	70.3	\$704,824

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TABLE H-5. Summary of Fort Campbell Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	5.0	\$ 49,370	9.0	\$ 88,866
Comptroller	12.0	118,488	14.0	138,236
<u>Supply Management</u>				
DIO	60.0	475,080	48.0	380,064
<u>ADP Support</u>				
MISO	4.0	43,980	4.0	43,980
Total Man-Years and Related Personnel Cost for Fort Campbell	81.0	\$686,918	75.0	\$651,146

TABLE H-6. Summary of Fort Carson Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	4.0	\$ 43,532	2.0	\$ 24,266
Comptroller	11.0	120,615	8.0	87,720
<u>Supply Management</u>				
DIO	60.0	592,440	48.0	473,952
<u>ADP Support</u>				
MISO	4.0	39,496	4.0	39,496
Total Man-Years and Related Personnel Cost for Fort Carson	79.0	\$801,083	62.0	\$625,434

TABLE H-7. Summary of Fort Devens Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	2.0	\$ 26,770	2.0	\$ 26,770
Comptroller	5.0	49,370	7.0	69,118
<u>Supply Management</u>				
DIO	20.0	197,480	16.0	157,984
<u>ADF Support</u>				
MISO	1.0	7,918	1.0	7,918
Total Man-Years and Related Personnel Cost for Fort Devens	28.0	\$281,538	26.0	\$261,790

TABLE H-8. Summary of Fort Hamilton Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	1.0	\$ 13,385	1.0	\$ 13,385
Comptroller	3.0	32,895	4.0	43,860
<u>Supply Management</u>				
DIO	20.0	197,480	16.0	157,984
<u>ADP Support</u>				
MISO	1.0	10,965	1.0	10,965
Total Man-Years and Related Personnel Cost for Fort Hamilton	25.0	\$254,725	22.0	\$226,194

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TABLE H-9. Summary of Fort Hood Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	5.0	\$ 49,370	5.0	\$ 49,370
Comptroller	10.0	98,740	12.0	118,488
<u>Supply Management</u>				
DIO	75.0	593,850	60.0	475,080
<u>ADP Support</u>				
MISO	3.0	32,895	3.0	32,895
Total Man-Years and Related Personnel Cost for Fort Hood	93.0	\$774,855	80.0	\$675,833

TABLE H-10. Summary of Fort Lewis Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	4.0	\$ 48,532	2.0	\$ 24,266
Comptroller	12.0	131,580	14.0	153,510
<u>Supply Management</u>				
DIO	62.0	612,188	50.0	493,700
<u>ADP Support</u>				
MISO	3.0	29,622	3.0	29,622
Total Man-Years and Related Personnel Cost for Fort Lewis	81.0	\$821,922	69.0	\$701,098

TABLE H-11. Summary of Fort MacArthur Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	2.0	\$ 26,770	4.0	\$ 53,540
Comptroller	4.0	39,496	5.0	49,370
<u>Supply Management</u>				
DIO	20.0	197,480	16.0	157,984
<u>ADP Support</u>				
MISO	1.0	10,965	1.0	10,965
Total Man-Years and Related Personnel Cost for Fort MacArthur	27.0	\$274,711	26.0	\$271,859

TABLE H-12. Summary of Fort Meade Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	2.0	\$ 28,834	2.0	\$ 28,834
Comptroller	5.0	54,825	5.0	54,825
<u>Supply Management</u>				
DIO	22.0	217,228	18.0	177,732
<u>ADP Support</u>				
MISO	2.0	19,748	2.0	19,748
Total Man-Years and Related Personnel Cost for Fort Meade	31.0	\$320,635	27.0	\$281,139

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TABLE H-13. Summary of Fort McPherson Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	3.0	\$ 29,622	5.0	\$ 49,370
Comptroller	4.0	35,436	5.0	44,295
<u>Supply Management</u>				
DIO	20.0	177,180	16.0	141,744
<u>ADP Support</u>				
MISO	2.0	29,434	2.0	29,434
Total Man-Years and Related Personnel Cost for Fort McPherson	29.0	\$271,672	28.0	\$264,843

TABLE H-14. Summary of Fort Riley Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	3.0	\$ 44,151	3.0	\$ 44,151
Comptroller	7.0	76,755	10.0	109,650
<u>Supply Management</u>				
DIO	32.0	315,968	24.0	236,976
<u>ADP Support</u>				
MISO	4.0	35,436	4.0	35,436
Total Man-Years and Related Personnel Cost for Fort Riley	46.0	\$472,310	41.0	\$426,213

TABLE H-15. Summary of Fort Sam Houston Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	3.0	\$ 40,155	1.0	\$ 13,385
Comptroller	5.0	54,825	6.0	65,790
<u>Supply Management</u>				
DIO	42.0	414,708	34.0	335,716
<u>ADP Support</u>				
MISO	2.0	21,930	2.0	21,930
Total Man-Years and Related Personnel Cost for Fort Sam Houston	52.0	\$531,618	43.0	\$436,821

TABLE H-16. Summary of Fort Sheridan Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Costs</u>	<u>Man-Years</u>	<u>Costs</u>
<u>Financial Management</u>				
DIO	3.0	\$ 40,155	1.0	\$ 13,385
Comptroller	5.0	44,295	9.0	79,731
<u>Supply Management</u>				
DIO	28.0	276,472	22.0	217,228
<u>ADP Support</u>				
MISO	2.0	19,748	2.0	19,748
Total Man-Years and Related Personnel Cost for Fort Sheridan	38.0	\$380,670	34.0	\$330,092

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TABLE H-17. Summary of Fort Stewart Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	3.0	\$ 36,399	2.0	\$ 24,266
Comptroller	4.0	39,496	4.0	39,496
<u>Supply Management</u>				
DIO	30.0	265,770	24.0	212,616
<u>ADP Support</u>				
MISO	2.0	21,930	2.0	21,930
Total Man-Years and Related Personnel Cost for Fort Stewart	39.0	\$363,595	32.0	\$298,308

TABLE H-18. Summary of Homestead Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	1.0	\$ 10,965	1.0	\$ 10,965
Comptroller	4.0	39,496	3.0	29,622
<u>Supply Management</u>				
DIO	12.0	106,308	10.0	88,590
<u>ADP Support</u>				
MISO	1.0	10,965	1.0	10,965
Total Man-Years and Related Personnel Cost for Homestead	18.0	\$167,734	15.0	\$140,142

TABLE H-19. Summary of Indiantown Gap Military Reservation Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	2.0	\$ 24,266	2.0	\$ 24,266
Comptroller	5.0	49,370	8.0	78,992
<u>Supply Management</u>				
DIO	22.0	217,228	18.0	177,732
<u>ADP Support</u>				
MISO	2.0	15,836	2.0	15,836
Total Man-Years and Related Personnel Cost for Indiantown Gap Military Reservation	31.0	\$306,700	30.0	\$296,826

TABLE H-20. Summary of Presidio of San Francisco Resource and Cost Data.

	<u>Horizontal</u>		<u>Vertical</u>	
	<u>Man-Years</u>	<u>Cost</u>	<u>Man-Years</u>	<u>Cost</u>
<u>Financial Management</u>				
DIO	2.0	\$ 32,276	1.0	\$ 16,138
Comptroller	6.0	65,790	16.0	175,440
<u>Supply Management</u>				
DIO	21.0	207,354	17.0	167,858
<u>ADP Support</u>				
MISO	2.0	19,748	2.0	19,748
Total Man-Years and Related Personnel Cost for Presidio of San Francisco	31.0	\$325,168	36.0	\$379,184

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H-11 (H-12 Blank)